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FOR REFERENCE ONLY.

REPORT

REFORM CLUB
PALL MALL

ON THE

PRESENT STATE OF THE TRADE

BETWEEN

GREAT BRITAIN

AND

RUSSIA.

Presented to both Houses of Parliament by Command of Her Majesty.
1866.

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Report on the present State of the Trade between Great Britain and Russia.

The Earl of Clarendon to Sir A. Buchanan.

Sir, *Foreign Office, January* 29, 1866.

I INCLOSE a copy of a Report drawn up by Mr. Michell on the subject of the commerce and manufactures of Russia, and of the commercial relations between that Empire and Great Britain.

This Report, which does much credit to the ability and zeal of Mr. Michell, will be presented in the usual form to Parliament, and I have to instruct your Excellency to deliver a copy of it to the Russian Government.

It may be useful to call to your recollection the circumstances under which this Report has been prepared by Mr. Michell. In the summer of last year Lord Russell informed the Associated Chambers of Commerce, and some of the representatives of the great manufacturing and commercial communities in this country, that a National Exhibition of the Arts and Manufactures of Russia was about to be held at Moscow. The Chairman of the Associated Chambers of Commerce expressed to his Lordship the intention of that Body to send a deputation to Moscow to examine and report upon the various articles of Russian produce and manufacture which might be exhibited there.

Lord Russell highly approved of a measure which, in his opinion, would tend to increase and develop the commercial intercourse between the two nations, and make the commercial classes of both countries better acquainted with each other.

Accordingly, when Mr. Sampson Lloyd, the Chairman of the Association, and Mr. Goodman, the President of the Birmingham Chamber of Commerce, were chosen to represent the Associated Chambers of Commerce in Russia, Lord Russell offered to assist them in carrying out the objects of their mission, by instructing Mr. Michell, who is perfectly acquainted with the Russian language, to accompany them.

I have considered that the service which Mr. Michell could render to the commercial and manufacturing interests of both countries would be still more complete by his drawing up a Report upon the result of his visit to Moscow, and of his communications with the principal commercial bodies in England and in Russia. Such is the origin of the Report which I now inclose for presentation to the Russian Government.

Her Majesty's Government trust that the publicity which will now be given to it, and to the annexed copy of the able Report of the deputation which he accompanied, may be followed by other discussions between the representatives of the manufacturing and trading interests of the two countries, which cannot be otherwise than of mutual advantage.

There is, indeed, much encouragement in many of the facts stated by Mr. Michell. The reductions in the Russian Tariff carried out in 1857 do not appear to have justified the apprehensions entertained by those in Russia who regarded them as likely to produce disastrous results; and a spirit of enterprize appears to exist in Russia which has led, notwithstanding the system of artificial protection, to very satisfactory results.

I am, &c.
(Signed) CLARENDON.

Inclosure.

Report by Mr. Michell, Attaché to Her Majesty's Embassy at St. Petersburg, on the Trade between Great Britain and Russia, &c.

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PART I.

Memorandum on the Trade between Great Britain and Russia.

(By T. Michell, Attaché to Her Majesty's Embassy at St. Petersburg.)

REFORM CLUB
PALL MALL

Memorandum on the Trade between Great Britain and Russia.

(By T. Michell, Attaché to Her Majesty's Embassy at St. Petersburg.)

1. *Present State of Commercial Relations between Great Britain and Russia.*

THE merchants of this country have for some years viewed with very little satisfaction the state of the trade between Great Britain and Russia, and the Chambers of Commerce of the United Kingdom have several times directed attention to the decay of such an ancient and mutually profitable traffic. Indeed, the trade with Russia, almost uninterruptedly pursued since the year 1555, was one of the highest importance to Great Britain before the outbreak of the Crimean War, which, to a very great extent, rendered our manufacturers independent of Russia for tallow, hemp, flax, linseed, and other commodities subsequently imported in ever increasing quantities from South America, India, and the Australian Colonies, or since superseded in manufacturing processes by other oleaginous substances and fibrous materials. Nevertheless, after commercial intercourse had been resumed with Russia, the statistics published by the respective Governments showed no decrease in the trade, and it apparently resumed the dimensions which it had attained previously to 1854. But these no longer bore the same relation to the general foreign trade of Great Britain which they once did.

While England was at war with Russia her commerce was prospering with all the other countries of the globe; her shipping was vastly increasing; her amicable relations with all other States were being strengthened; and, finally, the alliance with France and its result—the Commercial Treaty of January 23, 1860,—gave such a further impetus to the trade of Great Britain that she can now well afford to wait passively for the general adoption in Europe of those commercial principles which have already produced such marvellous effect in France as well as in Great Britain, at one of the most trying periods in the history of manufacturing industry. Under other circumstances the cotton famine would not only have caused the destitution of those engaged in the manufacture of cotton, but would also have had a most disastrous effect on other classes of the population; it would have produced a great stagnation in trade, financial depression, and a serious decrease in revenue. The results, however, of the American Civil War have, fortunately, been very different. The increase of commercial intercourse with France has caused the diminution of the trade with the United States to be almost unheeded; the labour released from the spinning of cotton has been absorbed in other branches of industry, after comparatively little suffering; the revenue, under wise administration, has never been in a more satisfactory condition; capital abounds and flows readily into the lucrative and sympathetic channels opened for it at home and abroad.

The example of France has been followed by Belgium, Italy, and Prussia; commercial alliances are being advocated or actually negotiated in every direction: and the proximate conclusion of Treaties of Commerce with Austria will soon have combined all the principal States of Europe into a commercial coalition based on the principles of Free Trade, from which the great Empire of Russia alone yet keeps aloof.

At the same time, the alliances thus formed are very different in their nature and real importance from combinations based solely on ephemeral political considerations. They assume the shape of a coalition of natural, material interests which can never afterwards be disturbed with impunity. Nor is their principal result to be measured only by the increase of a mutual interchange of commodities, however important such an increase may appear in official Returns of Trade and Navigation. These take no account of the traffic in credit and capital, which may in this country be taken, on the lowest estimate, at a sum equal to half the computed value of the exports of Great Britain. The spread of financial undertakings, following in the wake of material prosperity, is no less astounding in the present day than the vast increase of international commerce. The loans to States in good repute on the Stock Exchange of London, the bonds and shares of railway and other financial enterprises in countries which inspire capitalists and merchants with confidence, are becoming more and more readily taken up in England as capital accumulates and commercial barriers are removed.

But while capital and credit are thus flowing from Great Britain to every other country in Europe, even to Turkey, it is a singular fact, and one intimately connected with the subject of the present Memorandum, that Russian financial enterprizes find no favour whatever in the London market. Financial schemes inherently sound, projects for the construction of important railways, for the establishment of commercial and land banks, all so urgently needed in Russia, and so unquestionably remunerative at no distant period, have met with no encouragement on the Stock Exchange of London. English houses of the first standing have, one after the other during the last few years, been forced to abandon engagements provisionally made in Russia, much to their disappointment, and greatly to the prejudice of all future Russian schemes.

It would argue complete ignorance of the laws by which the movement of capital is regulated, to suppose that any political antipathy has militated against the success of Russian financial enterprises in London. The only true explanation is that the commercial policy, under which the Imperial finances are yearly becoming more embarrassed, while the trade of the country is stationary, if not in a state of decadence, has given rise to a want of confidence which can only be removed by the adoption of a liberal system of commerce, in keeping with those great social reforms by which His Imperial Majesty's reign has been distinguished. Those reforms are warmly applauded by Englishmen, yet as long as the development of the resources and foreign trade of Russia remains impeded, it is more than doubtful whether any capitalist in England would undertake the placing of any new Russian bonds, shares or Government stock, except on terms which would still further depreciate the credit of the empire.

The recent recourse to an Internal Lottery Loan also justifies the conclusion that the Imperial Government is equally well aware of the impossibility of raising any new loan in a market where the credit of Russia was so favourably viewed under the old régime of international commerce, but where, owing to the want of confidence engendered by the commercial policy of Russia, and to the wonderful expansion of financial and commercial relations with other countries, that credit has suffered a disastrous loss of popularity.*

That the attention, sympathy, and activity of British capitalists and merchants are now deeply engaged in other quarters will be evident from the following statement of the trade of Great Britain with the principal countries in Europe between 1859 and 1863:—

* It may be adduced in evidence of this, that whereas formerly the leading brokers of London daily received orders from their clients to purchase Russian Stock for *benâ fide* investment, now such orders are not given once a month, and several days together often pass without a single transaction. This is also confirmed by the fact that the Messrs. Rothschild, who took the loan of 1862, would have nothing to do with that of 1864, although brought out about 9 per cent. cheaper; and, even at that price, the small amount of the loan was distributed between London and Amsterdam.

IMPORTS AND EXPORTS.*

	1859.	1860.	1861.	1862.	1863.	Per cent.
	£	£	£	£	£	
Russia	19.891,000	21,648,000	18,588,000	18,835,000	17,706,000	11 —†
France	26,433,000	20,475,000	35,254,000	43,441,000	47,320,000	79 +
Turkey	6,771,000	7,768,000	6,741.000	8,125,000	11,309,000	63 +
Prussia	6,993,000	10,393,000	10,499,000	11,833,000	10,451,000	50 +
Belgium	7,236,000	8.044,000	8,732,000	9,426,000	10,234,000	41 +
Italy	6,975,000	8,026,000	9,273,000	8,785,000	9,698,000	43 +
Hanseatic Towns ..	17,484,000	20,808,000	19,105,000	20,073,000	24,080,000	39 +
Holland	14,872,000	18,010,000	18,682,000	18,504,000	21,325,000	38 +

The present state of the trade with Russia thus forms a striking exception to the progress made in our commercial intercourse with all other countries in Europe. A decrease of 11 per cent. in the Russian trade, while our traffic with the rest of Europe was marked by an increase ranging from 38 per cent. to 79 per cent., must be due to some exceptional circumstances which mutual interest, policy, and a study of the working of economical principles may well induce us to investigate. The only drawback to such an inquiry, however fairly pursued, is, that it attracts the imputation of selfish motives.

In countries where free trade principles have had no application, the British Government is always accused of seeking only its own advantage in advocating the adoption of a system which has as yet only been tried with success in Great Britain. It cannot certainly be denied that it has been the interest of England to urge upon other countries the introduction of a commercial policy calculated to be of such general benefit. But the results of the adoption of free trade principles by France, Belgium, Italy, and Prussia, have now clearly shown that the advantages anticipated and desired by England are not obtained at the sacrifice of the interests of other States. England is concerned in seeing the power of buying enlarged in every country, and it is evident that this is not to be effected by the impoverishment of a nation. It cannot be too strongly borne in mind that freedom of intercourse with a country in a state of poverty and ruin is but of little value to the nation that seeks it. Nations, like tradesmen, can best profit by transactions with rich and thriving customers.

Apart, therefore, from feelings of amity and good-will, and from a natural desire to see the further triumph of principles which, to judge from results already obtained, are destined to promote the general peace, prosperity, and advancement of mankind, England has undoubtedly interests which would be benefited by an extension of commerce with Russia. The longer that extension is delayed the greater will be the difficulty of replacing the commercial relations between the two countries upon a footing commensurate with their extent, their resources, and their powers of reciprocal enrichment.

The object, then, of this Memorandum is to inquire into the particular circumstances that have acted so prejudicially on the ancient trade between Great Britain and Russia, and to ascertain whether the recent free trade measures adopted in other countries, once equally suspicious and afraid of them, may not now be applied to Russia with the same beneficial results.

The non-expansiveness and partial decay of the trade between Great Britain and Russia can be attributed to no other cause than the commercial policy pursued in Russia since the year 1823. It may, however, be argued with apparent plausibility that the decrease in the traffic under consideration is mainly due to a diminution of the demand for raw products which Russia once solely supplied. Indian jute now takes the place of Russian hemp to the extent in 1863 of 1,500,000*l.* sterling, and the supply of Russian tallow has fallen to almost half the quantity exported to Great Britain before the Crimean War; the shipments of tallow from other countries having become equal to those from Russia, and an increased use of oil for manufacturing and household purposes has likewise had considerable influence in reducing the demand for the famed Russian P.Y.C. But a reference to the Table of Exports appended to this Memorandum will show that in the aggregate the demand on the part of Great Britain for Russian produce is far from being on

* Statistical Abstract, 1850—1864. Board of Trade, London. The statistics of 1864 have not yet been fully published. For Russian official Returns of Imports and Exports, *vide* Appendices, Tables A and B.

† Russian Returns show a similar decrease of 11 per cent.

the decrease in the items of corn, flax, linseed, wool, and several other articles. These, as well as hemp and tallow, are products that must always meet with a growing demand as population and industry increase. But they will ever be purchased in the cheapest and most attractive markets. It has unfortunately been assumed in Russia that foreign countries were dependent upon Russian supplies of those important raw materials; and that, on the other hand, it was quite possible to arrive at absolute independence of foreigners by fostering home industry. In other words, the commercial policy which Russia has so long pursued aims at making the Empire a solely exporting country. The desired result of such a system is to sell Russian raw produce for foreign gold. Such a policy has not, of course, been capable of general application. The want of machinery, coal, and cotton has led to departures from it; but still, if continued, a prohibitive policy (which that of Russia, if compared with other countries, may well be called) aims at achieving complete independence even under the head of machinery, coal, and cotton; for as soon as the art of making machinery has been properly acquired at home, as soon as coal shall be raised in sufficient quantities from the basin of the Don, and whenever the growing of cotton shall have been perfected in the Caucasus and in subject regions of Central Asia, a prohibitive or protective commercial policy is intended to produce a cessation of international traffic even under these important items.

While, therefore, in all other countries in Europe there is a decided and well-rewarded tendency to draw tighter the bonds of international dependence in matters of commerce, the Russian system seeks divergence and isolation, to the ultimate destruction of foreign trade, which can only exist in the form of an interchange of commodities.

The policy of impeding foreign importation is, however, so contrary to all natural laws and to all individual and public interests, that in the opposition which it indirectly encounters its object is entirely defeated; the Russian prohibitive Tariff exists only on paper: the advantages which it offers to illicit importation are so great that the introduction of foreign commodities is, indeed, but little hindered. Russia imports secretly about the same quantity of foreign manufactures that she might purchase openly of honest traders, to the palpable advantage of international intercourse and of her own export trade. The Tariff of Russia takes the trade in foreign productions out of the hands of the merchant and the capitalist, and places it in the hands of the Hebrew and the Polish contrabandist. A deduction from ascertained facts will show the approximate extent of this nefarious traffic. These are, firstly, that British and other merchandize enters Russia through Prussia, on payment of a premium of about 35 per cent., calculated on existing Tariff rates, charged by houses regularly established for the transport and insurance of contraband goods; and secondly, that seizures are annually made to the extent shown in the following Table, compiled from Russian official Trade Returns.

1.—Table showing the Produce of the sale of Contraband Goods seized on the European Frontiers of Russia.

	1860.	1861.	1862.	1863.	1864.	Total.	Per cent.
	£	£	£	£	£	£	£
On Land Frontiers ..	77,870	61,880	54,000*	27,630	29,400	250,780	83
At Sea Ports	6,730	9,940	23,950	5,100	6,425	52,145	17
Total	84,600	71,820	77,950	32,730	35,825	302,925	100

The proceeds of the sale of contraband goods at Russian Custom-houses in Europe are thus acknowledged to have amounted to nearly 303,000*l.* between 1860 and 1864. Although this sum must be far short of the mercantile value of the goods seized, it nevertheless affords authentic data on which a calculation of the minimum extent to which the Russian revenue is defrauded can be based. Textile fabrics, of which the annual legal importation by land is recorded in the next Table, formed the bulk of the seizures, as will be seen from Table 3, which likewise refers, for the sake of clearness, only to the overland contraband traffic, or to 83 per cent. of the whole.

* From 1862 the Land Frontier was more strictly guarded, owing to the disaffection in Poland.

2.—Table showing the Computed Value of the Importation of Textile Fabrics a the Custom-houses on the Land Frontier of Russia.

	1860.	1861.	1862.	1863.	1864.	Total.	Duty levied
	£	£	£	£	£	£	£
Cotton goods	234,615*	231,510	196,300	118,277	156,825	937,527	356,016
Silk ditto	238,500	241,915	235,425	185,112	225,975	1,126,927	328,445
Woollen ditto	202,735	220,465	226,295	180,145	258,435	1,088,075	380,944
Flax ditto	228,416	229,175	231,420	145,217	197,145	1,031,373	244,781
	904,266	923,065	889,440	628,751	838,380	4,183,902	1,310,196

3.—Table showing the Produce of the Sale of Textile Fabrics seized on the Land Frontier of Russia.

	1860.	1861.	1862.	1863.	1864.	Total.	Per-centage on legitimate Importation.	Relation to Duties levied.
	£	£	£	£	£	£		Per cent.
Cotton goods ..	28,310	27,800	25,675	9,610	11,750	103,145	11	28½
Silk ditto	11,934	1,315	1,000	1,148	825	6,222	½	1¾
Woollen ditto ..	8,314	7,760	8,150	4,406	7,175	35,805	3¼	9½
Flax ditto	725	650	595	601	850	3,421	¼	1½
	39,283	37,525	35,420	15,765	20,600	148,593	—	—

The four items shown in the last Table constitute a little more than half the total value of contraband goods of every description seized and sold at Russian maritime and land Custom-houses in Europe. Thus while the total value of the sale of contraband articles amounted between 1860 and 1864 to 302,925*l.*, the seizure of textile fabrics alone produced the sum of 167,605*l.*, of which about 83 per cent., or 148,593*l.*, fell to the share of the land frontier Custom-houses, and 17 per cent. to Custom-houses at seaports. But, however striking may appear the fact here disclosed, that while cotton goods to the amount (computed at a very exaggerated valuation) of 937,527*l.* were imported legally, the seizures made of similar goods produced (at a valuation probably far below actual cost) the large sum of 103,145*l.*, equal to about one-third of the amount of duty levied on cotton goods during a similar period. Woollens form the next class of goods fraudulently imported, and more subject than others, on account of their bulk, to seizure and confiscation. A sum equal to 10 per cent. on the duties actually levied on woollens was realized, between 1860 and 1864, by confiscation. The other items, besides textile fabrics, shown in the Russian Returns of confiscated goods, are provisions, liquors, and sundry goods, which, as already stated, make a little less than half the total of discovered fraud. The undiscovered cases of illicit importation must necessarily bear such a proportion to the discovered cases as will enable the smuggler to pursue his calling with a profit commensurate with the risk which he encounters.

An eminent actuary† of London has made the following calculation of the probable value of textile fabrics imported into Russia without payment of duty:—

"The question is so mixed up with profits on insurance and profits in trade, that I cannot see my way to a fair estimate of the amount smuggled from Prussia over the Russian frontier. If 150,000*l.* in value (the produce in round numbers of the seizures of textile fabrics between 1860 and 1864) is what the insurance offices established on the frontier would have to pay in losses, and the duty leviable be 50 per cent., or 75,000*l.* on that value, and the premium charged by contraband insurance offices is 35 per cent. of the duty, say 26,250*l.*, then the amount to be insured would be nearly six times the above, or 900,000*l.*, to give sufficient premium merely to pay the losses. Thus, call the duty on the latter sum 450,000*l.*, 35 per cent. of which is 157,500*l.*, we see that the premiums would only be a little in excess of the actual losses. But the insurers in such a trade would probably require twice as much again for profits, in which case 2,700,000*l.* would have to be insured to pay the actual losses and the profits of insurance. The premiums charged in England on some kinds of insurance are cent. per cent., in order to cover the expenses of trade and profits; but in a contraband trade, where the expenses must be relatively far greater, it is no exaggeration to assume that the premium demanded in such a business must be at least three times the value of the risk. It is probable, too, that the goods sold after

* The ruble has been converted throughout this Memorandum at the rate of 32*d.*, its present average value.
† Samuel Brown, F.S.S., Actuary, Guardian Life Assurance Office.

seizure would sell for very much less than the actual value on which duty would have to be paid if they were not smuggled, so that in estimating the real value smuggled, we should probably have to allow considerably more on this account."

Thus, arguing on the basis that the Imperial Government avowedly realized nearly 150,000*l.* from the sale of contraband textile fabrics between 1860 and 1864, and that insurers find it profitable to undertake the risk of smuggling at a premium of 35 per cent. of Tariff rates, we arrive at the conclusion that textile fabrics of the value of nearly 2,700,000*l.* sterling must be insured in order to render the contraband trade in those goods, on the land frontier alone, remunerative.

Taking, therefore, the moderate sum of 2,700,000*l.* sterling as that which represents the value of the textile fabrics smuggled in five years over the land frontiers of Russia, we obtain the following result :—

	£
Textile goods smuggled on land frontier	2,700,000
17 per cent. more smuggled at sea-ports	459,000
	3,159.000
Add a similar amount for all other descriptions of contraband goods	3,159,000
Total	6,318,000

When, however, we take into consideration another species of fraud, rarely discovered, that of clearing goods under fraudulent entries, a fraud so systematically pursued in Russia that, as will hereafter be shown, honest importation of certain classes of goods is rendered impossible, and when, further, we take into account the numberless small articles admitting of easy concealment which never enter into the returns of seized contraband, the sum of 10,000,000*l.* sterling, or 75,000,000 silver rubles, may well be given, speculatively, as the minimum value of the goods illicitly imported into Russia between 1860 and 1864. This sum, it will be seen, represents the assumption that one case in thirty-three of fraud was actually discovered and punished—an assumption that exaggerates considerably the real chances of detection.

If the goods thus smuggled had been permitted to enter freely on payment of a duty equal only to 15 per cent of their value, the sum added to the revenue would have been 11,500,000 rubles, or more than 2,500,000 rubles per annum, irrespective of the considerable increase of revenue that would be obtained by the natural extension of foreign trade on the reduction of duties now almost prohibitive.

The effect of such a vast system of fraud is even more prejudicial to the honest trader and the general public than it is to the Imperial revenue; for the demoralization which it engenders is not confined to the smuggler, his agent, and the conniving official,—it extends to the wholesale dealer and the shopkeeper, and propagates that dishonest and overreaching spirit which there is already such good reason to regret.

Thus, also, at the present moment it is difficult to find at any of our great centres of industry, such as Manchester, Bradford, Leeds, or Glasgow, any manufacturer or merchant who has direct dealings with Russia in cottons, woollens, or silks. *The Russian market is only known to a few of them, principally through the agency of houses at Königsberg and other German seaports affording an easy access to the land frontier of Russia.* The direct exportation of textile fabrics to Russia by sea is known to some of them as an exception, not as a rule. A belief exists that there is a certain mysterious, undefinable advantage in sending goods to Russia viâ Prussia—*an advantage which the recent Commercial Treaty with Prussia is calculated greatly to promote.* At the same time the manufacturers and merchants in question are conscientiously ignorant of the manner in which their merchandize reaches the Russian market. They ship goods ordered by houses in Germany, and in a few cases they consign them to their own agents in Prussia on commission, not knowing or caring how the goods are ultimately dispatched. In the case, for instance, of Birmingham goods exported to Russia, they are never consigned, but ordered by foreign houses, whose duty is to pass them through the Custom-house. The Russian market is, therefore, comparatively unknown at our manufacturing centres, and the commercial relations of England with Russia are monopolized at the principal seaports of Great Britain, where the trade in Russian produce, in British iron, machinery, coals, and other goods, as well as the passenger traffic between the two countries, are principally centred.

Before the introduction of railways and the increase of smuggling facilities, the most important part of the foreign trade of Russiawas in the hands of British residents

at St. Petersburg and a few other ports, descendants mostly of the founders and agents of the Russia Company, established in the sixteenth century. Since the foundation of St. Petersburg (whither the trade with Great Britain was removed from Archangel), those merchants have been known and respected for their talents and probity. The English character stands high in the estimation of the Russian people because it has ever been associated with honest and upright dealing; and although the duties on foreign goods were higher before the Crimean War than they are now, yet the extensive demand for English wares on the part of the wealthy classes, the greater difficulty of carrying them, when smuggled, from one part of the Empire to the other, and the relation which the trade with Russia then bore to the trade of England with other foreign countries, were all circumstances that rendered the numerous British merchants in Russia a prosperous community of high social standing. Their correspondents and agents in London—"the Baltic merchants"—held an equally high position in the city of London, and were naturally much interested in promoting the prosperity of their houses in Russia by maintaining the credit of the Empire, and assisting the development of its vast resources. The results were reaped by Russia in the shape of loans, of which the stock remains to this day chiefly in the hands of the most influential bankers in England. The interest of these, in the present temper of the public as regards dealings with Russia is, *to maintain the price of the stock they hold by excluding any further issue of Russian securities that may depreciate their own by its amount, or by the price at which it is offered.*

The present commercial activity and prospects of the British merchants resident in Russia are, however, very different. Of the numerous large houses that once existed at St. Petersburg scarcely a dozen now remain, and these confine themselves almost entirely to the export trade, *the importation of British goods liable to duty being no longer a profitable or honest occupation.** Numerous small foreign houses have been established in their stead, either as agencies of smuggling houses on the Prussian frontier, or as importers of goods at sea-ports under fraudulent entries, frequently with the connivance and co-operation of Customs officers. No British manufactures are, in fact, imported into Russia to any great extent by English houses. Coals, machinery, iron, cotton, and a few other bulky articles incapable of being smuggled, are alone introduced by them. Even the importation of tea has been given up by one of the principal English firms at Petersburg, the competition of fraudulent importers having rendered honest dealing in that article unprofitable. The houses of longest standing have embarked in various speculations, such as railways, cotton-spinning and printing, gas-works, brewing, candle-making, &c., leaving the importation of British manufactures to dwindle more and more into a contraband trade.

Nor can it be said that these old-established houses have held a monopoly of the Russian trade under the Charter of the Russia Company. Other merchants have been at liberty to establish themselves and to compete in the traffic, but, like the others, they have not been able to do so under a Tariff that only permits of commerce under fraudulent processes. Several failures of English houses established at St. Petersburg have, within the last few years, taken place in consequence of the unsatisfactory conditions under which they were obliged to pursue their operations.

The maritime trade of England with Russia, on which the exportation of Russian produce so much depends, must necessarily decrease as fraudulent importa-

* According to the Trade Returns published by the Russian Government it appears that there are about thirty English firms established in Russia, of which about twenty are at St. Petersburg. In 1863 the English merchants of St. Petersburg imported goods to the amount of 875,000*l.*, while they exported Russian produce of the value of 3,000,000*l.* The Russian produce was almost entirely exported by twelve of the old-established firms, who only imported, at the Russian Custom-house valuation, British goods to the extent of 270,000*l.*, the balance on the imports having been made up by seven smaller houses dealing almost exclusively in coal, iron, and machinery. One other firm, long established as the proprietors of the "English Magazine" (the principal depôt for English goods at St. Petersburg), imported, in 1863, merchandize of the value of 31,000*l.* The nine other firms in other parts of Russia exported Russian produce of the value of about 2,000,000*l.* sterling, while they only imported English goods to the extent of 80,000*l.* Consequently, the aggregate transactions of British merchants in Russia, as far as they are shown in Russian official Returns for the year 1863 may, in round numbers, be stated as follows:—

Total exports of Russian produce	£5.000,000
Total imports of British goods	1,000,000

The coals, machinery, and iron imported into Russia from Great Britain was valued at 1,000,000*l.* sterling, and these, as already stated, are almost exclusively imported by English houses. The exports to Great Britain in 1863 having been estimated at about 9,000,000*l.* sterling, the firms here enumerated exported a little more than half the total of Russian produce shipped to Great Britain, while they only imported one-sixth (1,000,000*l.* out of 6,000,000*l.*) of the British goods introduced that year into Russia.

tion on the land frontier becomes more and more extensive. The effect of a relatively insufficient importation of British goods by sea already falls heavily on Russian raw produce, which is enhanced in price by the high rate of freight which shipowners must charge in order to indemnify themselves for sending their vessels to Russia only partially loaded or in ballast. At present, nearly three times as much freight is paid by a cargo of Russian produce as is paid, for instance, by English coals. Thus, however cheaply corn, tallow, and hemp may be raised in Russia, the cost of transporting it out of the country is ever on the increase, to the great prejudice of the agricultural interest of Russia, and to the ultimate reduction of the trade. The difference in the bulk and value of the products of the two countries will not account sufficiently for the great disadvantage as regards freight which Russian produce suffers under the commercial system at present in force.

Merchants, too, who only do business in Russian produce must make their profits exclusively out of it, instead of deriving their gains partly from importation partly from exportation.

The statistics published by the Russian Government, which, although unreliable on many points, must yet be relatively (or for the sake of comparing one year or one country with another year or another country) be accepted as correct, show that while the nominal average balance of trade against Great Britain is to the extent of 41,000,000 rubles, the balance recorded in favour of Prussia is 8,000,000 rubles.

Those returns indicate a marked tendency to overland importation through Prussia, which is well shown by the fact, likewise reported by the Russian Custom-house, that the importation of textile fabrics by sea had decreased from 1,021,649*l.* in 1860 to 476,615*l.* in 1864; while their legal importation by land only fell from 904,266*l.* to 838,380*l.*, making a decrease of 545,034*l.* in the one case, and 65,886*l.* in the other. The decrease in either item was produced by the American Civil War, which caused the importation of cottons into Russia to fall from 576,690*l.* in 1860 to 270,860*l.* in 1864. The greater reduction of the importation at seaports is entirely due to the superior advantages afforded by the land frontier, as proved by the fact that nearly 83 per cent. of the goods illicitly imported enter the Empire by way of Germany. The overland trade is still further promoted by differential duties, originally introduced on the plea that the land carriage was comparatively more expensive, and therefore demanded a premium; a plea that can no longer be maintained since the construction of railways and the great increase of smuggling. International trade and the Imperial revenue would be incalculably benefited by an equalization of duties by sea and by land; and British manufacturers would also be better protected than they now are against the fraudulent imitation of their trade-marks. Viewed in this light, the differential duties in favour of the land frontier are a premium on the importation of Prussian common goods stamped with Sheffield and other English trade-marks.

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2. *Present Condition of the Russian Tariff: its Effect on British Articles of Export to Russia.**

A revised edition of the Tariff enacted in 1857 was published by the Imperial Government on the 23rd May, 1865. It is divided into three principal sections, comprising 301 classes, or numbers, in addition to a Supplementary List of medicinal substances, viz.:—

1. Articles free of duty	59
2. Articles liable to duty	237
3. Articles prohibited	5
Total	301

Section I.—*Articles Free of Duty.*

These are fifty-nine in number. Great Britain is most interested in the following:—

Cotton, raw;
Machinery, agricultural and other;
Coal;

* Compare this with the British Tariff of 1865, which affects (in the most insignificant manner) only two articles of export from Russia: corn and timber. The duties levied on these, only amounted to 88,000*l.*, in 1863, or about ¾ per cent. on the total value of Russian produce imported into Great Britain.

Iron* (permitted to be imported into Russia, duty-free, by owners of iron-works) for the purpose of manufacture.

The remainder consist of works of art, mathematical instruments, books, and music, the bark of the cork-tree, sulphur, guano, hides, flax and hemp, timber, rags, cement, cattle, vegetables, &c.

The importation of goods under this category amounted, in 1864, according to the Russian official valuation, to the sum of 2,195,000*l.*,† of which 1,577,212*l.* represented coals and machinery. Printed books and music of the value of 161,000*l.* formed the item next in importance under this section, which might very well be amplified by including a great part of the 140 articles in the next categories which yielded, in 1864, a revenue of less than 1,000 rubles (130*l.*) each. These may be classified as follows :—

		Rubles.		£	s.	d.
12	Articles which produced in 1864 less than	10	or	1	6	8
17	" " "	50	"	6	10	0
14	" " "	100	"	13	0	0
54	" " "	500	"	65	0	0
43	" " "	1,000	"	130	0	0
140						

Section II.—*Articles liable to Duty are subdivided into three Categories, hereafter distinguished as A, B, and C.*

A.—Articles of Consumption, numbered 60 *to* 100‡ *in the Russian Edition of the Tariff.*

The principal duties levied under this category are, inclusive of 10 per cent. additional :—

	Rs.	c.		s.	d.	
Sugar, raw§	3	0	per pud	24	9	per cwt.‖
" refined	4	50	"	37	3	"
Oil	2	64	"	21	10	"
Arrack or rum	8	52½	"	70	6	per cwt. gross
Wine, in barrels	2	31	"	19	1	"
" in bottles	0	33	each	0	10½	each
Whiskey, gin	0	66	"	1	9	"
Beer and ale	0	22	"	0	7	"
" in casks	2	64	per pud	21	10	per cwt. gross
Salt	0	38	"	3	2	" "
Coffee, chicory, &c.	8	80	"	72	9	" "
Cocoa in the husk	2	20	"	18	2	" "
" ground and in pieces	8	80	"	72	9	" "
Pepper	2	53	"	20	11	" "
Cloves, nutmegs, &c.	3	85	"	31	9	" "
Ginger	2	20	"	18	2	" "
Vanilla	8	80	"	72	9	" "
Almonds	1	65	"	13	8	" "
Dried fruits	1	10	"	9	1	" "
Cheese	4	95	"	40	11	" "
Rice	0	55	"	4	7	" "
Sago	1	65	"	13	8	" "
Hops¶	1	10	"	9	1	" "
Oysters and lobsters	1	10	"	9	1	" "
Tea, flowery green and yellow**	0	55	per lb.	1	7½	per lb.
Tobacco, black and brick	0	38	"	1	1½	"
" unmanufactured	6	60	per pud	54	8	per cwt.
Cigars	2	20	per lb.	6	6	per lb.

* This article is not included in the first section of the Tariff, but its exception from duty in the above case justifies its being mentioned in the category of articles free of duty.

† It is right to observe that this sum does not include the importations free of duty by naval, military, and other Departments, nor the free importations by Companies under special privileges.

‡ As Great Britain is almost exclusively interested in the maritime trade of Russia, the duties and 10 per cent. additional charged on imports by sea have alone been taken into consideration in the calculations that follow. The differential duties in favour of the land frontier will be discussed in another part of this Memorandum.

§ Sugar, raw and refined, is excepted from the payment of 10 per cent. additional duty. In Great Britain the present duty on refined sugar is 12*s.* 10*d.* per cwt.

‖ It should not be forgotten that the duties, &c., throughout this Memorandum have been calculated at 32*d.* to the ruble. Any nearer approach of the ruble to its par value would increase the duties from 1 to about 16 per cent. Owing to the depreciation of the currency the duties actually levied under the Tariff of 1857 are reduced by about 16 per cent.

¶ This duty should be abolished in the interest of Russian agriculturists as well as in that of the consumers of beer. Russian hops can be purchased at 5 to 7 rubles per pud (41*s.* 6*d.* to 58*s.* per cwt.), but the best brewers at St. Petersburg prefer German and English hops at 25 to 30 rubles per pud (10*l.* 7*s.* to 12*l.* 8*s.* 3*d.* per cwt.). Hops should become a great article of export from Russia, but this can only be brought about by foreign competition, which will create a large market in Russia for the best quality of hops. It is only in this manner that the eyes of Russian agriculturists will be opened to the enormous profits which they are throwing away by not paying more attention to the culture of the hop plant. Both soil and climate are well adapted to the culture of hops in many parts of Russia, and the article could be produced much cheaper than either in England or Germany, where the skilful grower often realizes in good years a gross return of 100*l.* per acre.

** The duty on tea imported into Great Britain is only 6*d.* per lb.

The duties levied on this class of goods in 1864 amounted to 15,262,287 rubles, or about 32 per cent. on the computed value of the importations, which amounted to 47,719,881 rubles (6,363,000*l.*).

The following Table shows the principal importations under the head of "Articles of Consumption," and the duty levied on them :—

Articles.	Russian Computed Value.	Duty levied.	Relation of Duty to Russian Computed Value.	Relation of Duty to Hamburgh Average Prices, 1858–1862.*
	Rubles.	Rubles.		
Sugar, raw and crushed ..	8,052,796	4,797,787	60 per cent.	103 per cent.
„ refined	9,072	6,784	75 „	127 „
Tea	8,814,714	2,641,576	Average 30 per cent.	92 p. c. and 122 p. c.
Salt	2,138,325	2,006,427	94 per cent.	..
Coffee	3,339,229	711,778	21 „	43 per cent.
Wine in casks	4,426,499	1,136,841	26 „	87 „
Beer in bottles	282,843	73,336	26 „	198 per cent. (in casks)
Arrack, rum, brandy, in casks ..	379,042	171,379	45 „	284 per cent.
Cheese	417,244	151,414	36 „	87 „
Tobacco, unmanufactured ..	2,303,838	603,055	26 „	82 p. c. and 210 p. c.
Cigars	682,863†	207,418	30 „	161 per cent.
Rice	602,449	91,613	15 „	..
Ginger, cloves, &c.	88,928	21,423	24 „	..

The wide difference between the Russian and the German estimate of the relation which the duties levied by the Tariff of 1857 bear to the value of the goods imported is attributable to the erroneous, exaggerated Russian valuation of foreign imports. This will be evident from the following comparison of prices quoted respectively in Russian and British Returns of Trade for the year 1863 :—‡

Articles	British Board of Trade.	Russian Returns.	Excessive Russian Valuation.
Salt	11*s.* 6*d.* per ton.	83*s.* per ton.	621 per cent.
Tea	1*s.* 6*d.* per lb.	3*s.* 2*d.* per lb.	111 „
Sugar	28*s.* per cwt.	48*s.* per cwt.	71 „
Logwood	6*l.* per ton.	16*l.* 10*s.* per ton.	175 „
Indigo	28*l.* per cwt.	52*l.* per cwt.	86 „
Coffee	8½*d.* per lb.	11*d.* per lb.	30 „

The relation of the duty charged by the Russian Government to the average price of the goods under this category will be best seen from the following statement :—

Articles.	Computed Average Price in British Board of Trade Returns.	Duty imposed by Russian Tariff of 1857.	Relation of Duty to Value.
	s. d.	*s. d.*	
Sugar, raw	28 0 per cwt.	24 9 per cwt.	88 per cent.
„ refined	32 10 „	37 3 „	115 „
Tea	1 7 per lb.	average 1 4½ per lb.	105 „
Salt	0 6¾ per cwt.	3 2 per cwt.	563 „
Coffee	75 0 „	72 9 „	97 „
Cheese..	89 0 „	40 11 „	46 „
Rice	12 3 „	4 7 „	37 „
Ginger..	63 0 „	18 2 „	29 „
Pepper..	35 0 „	20 11 „	60 „
Tobacco, manufactured ..	8 6 per lb.	6 6 per lb.	76 „

The following statement exhibits the several estimates of the relation of the duties to the value of some of the foregoing articles :—

* *Vide* Memorandum of German Commercial Congress. The calculations made in the latter are based on the original duty imposed by the Tariff, irrespective of the 10 per cent. additional.

† This sum, equal to very little more than 91,000*l.*, is evidently far from representing the actual amount of foreign cigars consumed in such a vast Empire. The smuggler supplies the rest. *Vide* Messrs. Lloyd and Goodman's Report, and the Memorandum of the German Commercial Congress.

‡ The Memorandum of the German Commercial Congress observes that the Russian valuation of imports is too high by about one-third.

Articles.	Relation of Duty to Value.		
	Russian Estimate.	British Estimate.	German Estimate.
Sugar, raw	60 per cent.	88 per cent.	103 per cent.
" refined	75 "	115 "	127 "
Tea	30 "	105 "	92 and 122 per cent.*
Salt	94 "	563 "	—
Coffee	21 "	97 "	43 per cent
Cheese	36 "	46 "	87 "
Rice	15 "	37 "	—
Ginger	24 "	29 "	—
Tobacco, manufactured ..	30 "	76 "	161 per cent.

It is, of course, impossible to arrive at absolute accuracy in determining the relation of the above duties to the original value of the goods. The per-centages given in the German estimate are extracted from the Memorandum of the German Commercial Congress on the conclusion of a Treaty of Commerce with Russia, are based on the average prices of Hamburgh for 1858-62. The prices, on the other hand, extracted from British Returns represent the average computed value of the goods in the year 1863. The evidence is, nevertheless, sufficient to show that the Russian official valuation of foreign goods is fixed arbitrarily, at a very high figure, amounting, for instance, in the case of salt, to 621 per cent. above the British valuation. It is probable that the Russian computation of value represents the price of foreign goods in the Russian market, after they have borne the charges of freight and the excessive rates of duty levied by the Imperial Government. The relation of the duty to the cost determined on such a defective system is thus made to look plausibly low in Russian Returns. This circumstance has apparently attracted the attention of the Imperial Board of Trade, for it is announced that, in future Returns, a more correct method of valuation will be adopted. The utter disproportion of the duties to the real value of the goods under the category of "Articles of Consumption" will then be no longer concealed. That disproportion, also, once satisfactorily established, the Russian Government will probably reduce the whole of this class of duties to a point which will render the revenue tolerably secure against fraud. There are no manufacturing interests to protect in the group of articles of consumption, with the exception, it is alleged, of the interest of Russian beet-root sugar factories. The protection afforded to the latter has always been merely nominal, sugar being an important item in the smuggling trade. The duties on wine and beer imposed, like nearly all the duties under A, for fiscal purposes, would yield a very considerable revenue if reduced.

It being the policy of the Imperial Government to promote the use of malt liquor, in order to diminish the present deadly recourse in Russia to raw spirits, the object would be greatly furthered by the admission of British porter and ale at a small fiscal duty. The brewing of malt has been so much improved in Russia, that some of the ales of St. Petersburg and Moscow will bear comparison with those of Great Britain and Germany in regard to quality, while in reference to price they are produced so cheaply as to fear no competition from abroad. The demand for Russian beer would not be lessened by a greater importation of British "pale ale" and "stout," which would on the contrary give greater "fashion" to the consumption of malt liquors. The taste for London stout exists throughout Russia, especially in remote country towns, where it is sold at about 1 ruble or 2*s.* 8*d.* per Imperial pint. Competition in the supply of beer would, as in all other branches of industry, improve and develop its manufacture at home and widen its consumption, to the great benefit of the revenue and of the public health and morality.† Among the British *comestibles* unfavourably affected by the Tariff of 1857, pickles may be more especially mentioned. They pay a duty of 4 rubles 40 copecks per pud, or 36*s.* 5*d.* per cwt., which raises the price of a jar sold retail in England at 10*d.* to no less than 2*s.* 8*d.* at St. Petersburg. The case of cheese, which pays 46 to 87 per cent. *ad valorem*, is likewise very strong, especially as, in the case of pickles, no specious reasons for protection can be urged. Thus the Gloucester cheese sold retail in England at 10*d.* per lb. is sold to the Russian public at 1*s.* 9*d.* per lb. Dried fruits, preserved ginger, potted meats, and many other luxuries are burdened with duties equally disproportionate. Considerable reductions also of the duties on all "Colonial goods" are so evidently urgent in view of the disproportion of the present rates, that they are recommended even by

* Not including 10 per cent. additional.

† The import duty should be made equal to the excise levied from Russian brewers, which is 3 rubles (8*s.*) per cask of 20 *vedros*, equal to 7 cwt. gross weight. The principal brewer at St. Petersburg (or rather Russia), states that "beyond this no duty is required, as we have no fear of competition either from England or Germany." The present duty on the importation of beer in casks is 21*s.* 10*d.* per cwt. gross, while the excise is only about 1*s.* 2*d.* per cwt.

the Riga Exchange Committee, so opposed in other respects to a liberal Tariff. The subject may be dismissed with the expression of the desire of British merchants, that the recent equalisation of the duties on tea by sea and by land will be followed, if not by a reduction, at all events by an abolition of the discrimination between ordinary black and other descriptions of tea, which only favours their fraudulent clearance at Russian Custom-houses under the more favourable rate, to the prejudice of the conscientious merchant. The discrimination was probably made originally in order to favour the trade of Kiakhta, which is now, on the contrary, prejudiced by the fraudulent entry of superior qualities of tea.*

B.—Raw and Half-Manufactured Articles, numbered 102 *to* 171.

Under this category the items of duty in which Great Britain is most interested are, inclusive of 10 per cent. additional :—

	Per Pud.		Per Cwt.			Per Pud.		Per Cwt.	
	Rs.	c.	s.	d.		Rs.	c.	s.	d.
Yarn, cotton, white, and cotton wicks	3	85	31	9	Metals—				
					Iron	0	49	4	1
Yarn, cotton, dyed ..	5	50	45	7	Boiler plates and sheet iron	0	77	6	4
Wadding	1	10	9	1	Steel, unmanufactured	0	82	6	
Dye stuffs	0	11	0	11	Copper ,, ..	0	66	5	6
Indigo, in logs	3	30	27	3	Tin	0	22	1	10
,, ground .. .	4	40	36	5	Quicksilver	1	10	9	1
Cochineal	2	64	21	10	Lead	0	5	0	5
Yarn of flax, hemp, or jute, and sewing thread	3	30	27	3	Zinc, in pieces	0	66	5	6
					,, in sheets	0	99	8	2
Petroleum and other mineral oils	0	55	4	7	Chemicals, &c.—				
					Turpentine	0	33	2	9
Wool, raw, and shoddy ..	0	22	1	10	Alkali	2	75	22	8
,, dyed	0	44	3	8	Oxalic acid	2	20	18	2
Woollen yarn and worsted ..	4	40	36	5	Nitre	1	98	16	9
Metals—					Salts, acids, &c.. ..	1	10	9	1
Cast iron, in bars, &c. ..	0	5	0	5	White lead	0	44	3	8
Iron, bar, rails	0	38	3	2	Varnish	6	60	54	8

In the following Table some of the above rates of duty are compared with the official values given in the "Annual Statement of the Board of Trade" for 1863. The relation of the duty to the value, as calculated by the Committee of the German Commercial Congress and by the Russian Department of Trade, is also shown in parallel columns :—

Articles.	Average Value in "Annual Statement."				Russian Tariff Rate. Per Cwt.		Relation of Duty to Value.	Relation of Duty according to Hamburgh Prices.	Relation of Duty according to Russian Returns.
	£	s.	d.		s.	d.	Per cent.	Per cent.	Per cent.
Yarn, cotton, white, and cotton wick†	0	2	7	per lb. or	31	9	11	26‡	8
	14	9	4	per cwt.					
Yarn of flax, hemp, or jute, and thread	121	6		,,	27	3	22	20	15
Yarn, woollen, and worsted ..	0	3	4	per lb. or	36	5	10§	14	8
	18	13	4	per cwt.					
Wool, raw, and shoddy ..	0	1	10	per lb. or	1	10	1§	2	1
	10	5	4	per cwt.					
Indigo, in logs	28	0	0	,,	27	3	5	4	3
,, ground			..		36	5	..	..	..
Cochineal	16	0	0	,,	21	10	7	..	5
Petroleum			..		4	7	..	..	..
Cast iron		8	8	,,	0	5	5	13	3½
Iron, rod and rails. ..		9	5	,,	3	2	34	42‖	32
Boiler plates		12	0	,,	6	4	53	58‖	26
Steel, unmanufactured ..		38	0	,,	6	9	18	..	17
Copper		91	0	,,	5	6	6	..	5
Quicksilver		196	0	,,	9	1	5	..	3
Lead		29	0	,,	0	5	1½	..	2
Nitre		14	3	,,	16	9	118	..	None imported, 1864

* For flourishing state of Kiakhta, *vide* Memorandum on Tea, p. 59.

† This high duty, intended to protect Russian manufacturers, acts, like almost every other protective duty, in direct opposition to other manufacturing and equally important interests. Thus the Neva Stearine works pay annually on the single article of cotton wicks as much as 6,000 rubles (800*l.*) duty, to the prejudice, of course, of the candles which they export.

‡ Calculated on low average price of cotton yarn before the civil war, and all irrespective of 10 per cent. additional.

§ Calculated on price of English native wool exported to Russia.

‖ Probably calculated on cheaper qualities of iron.

It will be seen from the foregoing statements, that the duties levied on raw materials and half manufactured articles are in many instances wisely moderate. At the same time a want of method is apparent in the duties imposed on articles of the same class. Thus, there can be no reason why linen yarns (of which an increased and cheapened importation would promote the manufacture of linen in Russia) should pay twice as much duty as cotton and woollen yarns. It is, indeed, for the manufacturers of textile fabrics in Russia to urge in their own interest a reduction of the duty on yarns generally, as well as those on dye stuffs and chemicals. The cheapening of these would enable the home manufacturers to compete more successfully with the produce of foreign looms.

The relatively high duty imposed upon railway iron and boiler plates appears anomalous. It must be the interest of Russia to construct railways as cheaply as possible, and to have boiler plates free of duty. These duties appear far too high if imposed for fiscal purposes. Nor do the manufacturers of iron in Russia require the protection which the duty is meant to afford. The raw material abounds in the country, and will be worked with great profit when the capital, now restrained in artificial channels, is allowed to flow towards indigenous branches of industry. Moreover, the demand for manufactured iron is so great in Russia, that the iron founders of Moscow and St. Petersburg are unable to meet the entire demand. They have not been prejudicially affected by the removal of the duties on machinery, and the most enlightened of them would not fear the abolition of the present high duties on bar and boiler plate iron, amounting to 34 and 53 per cent. *ad valorem* on the most moderate computation.

Attention may here also be drawn to the excessive duty on phosphorus, which properly belongs to this group in the Tariff, although it is included in the supplementary list of medicinal substances. The duty charged is 33 rubles per pud (with the 10 per cent. additional) or 13*l.* 13*s.* per cwt. The price of phosphorus in England has been lately reduced to 1*s.* 9*d.* per lb., or 196*s.* per cwt. The duty in relation to that price is therefore about 139 per cent. In Germany the duty on phosphorus is only a little more than 1*d.* per lb.; in Belgium it is only nominal, and in France about 7 per cent.

Manufacturers of phosphorus assert that, owing to such an exorbitant rate of duty, nine-tenths of this important article of trade are smuggled into Russia, where its manufacture has consequently so little advanced. A Russian writer on political economy* says, with reference to the phosphorus exhibited at Moscow :—

"The manufacture of phosphorus is in the most deplorable condition. Notwithstanding the increase of manufactories of lucifer matches, of the contract demand for phosphorus, of its importation from abroad, and of a highly protective duty, Russia is far behind other countries in this branch of production. In fact, the manufacture does not exist. Its introduction is merely being attempted. We are ashamed to say that no advantage has yet been taken of the protective duty of 30 rubles per pud (minus the 10 per cent.), and of the abundance of bones throughout Russia. The high tariff is not to the advantage of industry and the country generally, but to its prejudice. The high rate of duty on phosphorus only benefits the smugglers, who import the greater part of the phosphorus consumed in Russia."

The argument here used applies with equal truth and force to many other articles in the class under consideration. A perusal of the answers given by Russian commercial bodies to the Memorandum of the German Commercial Congress will show that even the advocates of protection recommend the reduction of duties on raw and half manufactured materials.

The importations into Russia under this section of the tariff amounted in 1864 to about 54,000,000 rubles (about 7,290,000*l.*), and the duties to about 3,500,000 rubles, or a little more than 6 per cent. *ad valorem.* Some of the foregoing Tables have, however, already shown that the Russian *ad valorem* computation is very faulty, and, therefore, the average duty actually imposed is, in reality, far more onerous than this calculation would make it.

C.—Manufactures, numbered 172 *to* 296.

This is naturally the most important subdivision of the Russian Tariff. The commercial policy of Russia is based upon it, for the duties which it imposes are intended to have the effect of protecting and fostering native industry. These are,

* M. Fedchenko in the "Contemporary Annals," Moscow.

in fact, the duties most condemned by political economists as pernicious and impolitic. Their general effect on the trade of Russia with Great Britain has been exposed in the first part of this Memorandum; and the present inquiry will therefore be directed towards their exact bearing on the principal branches of manufacture, viz., on textile fabrics and worked metals. An investigation of the relation of duty to value in other products of industry would require the agency of much special, technical knowledge. The lesser branches of manufacture have been minutely treated in the Appendix to the Memorandum of the German Commercial Congress; and it must suffice if the present Memorandum produces evidence sufficient to show how the Russian Tariff affects the manufactures in which Great Britain is most interested.

The following is therefore an abstract of the duties levied in Russia on manufactured articles, and their relation, as far as it can be established, to the cost of production. The extent to which the several manufactures are imported into Russia may be seen in Table B appended to this Memorandum.

Manufactures.	Duty.		Relation of Duties levied to Russian Computed Value.	Relation of Duties to Hamburgh Average Value, 1858-62.	Relation of Duties to Value of British Goods, equal to Moscow Exhibition Goods in May 1865.*
	Russian rate.	English equivalent, with 10 per cent. additional.			
TEXTILE FABRICS.†	R. c.	s. d.			
A. Cottons—					
Cotton webs, close ..	0 35 per lb.	1 $1\frac{1}{2}$ per lb.	$21\frac{3}{4}$ per cent.	58 per cent.	60 per cent.
Ditto printed, &c. ..	0 65 „	2 $1\frac{1}{2}$ „	$37\frac{2}{3}$ „	86 „	73 „
Cotton textures, light ..	1 0 „	3 3 „	$35\frac{3}{4}$ „	110‡ „	37 „
Ditto printed	1 40 „	4 $6\frac{3}{4}$ „	$46\frac{3}{4}$ „	132 „	— ..
B. Woollen goods—					
Cloth, &c.	1 40 „	4 $6\frac{3}{4}$ „	30 „	92 „	$56\frac{1}{2}$ „
Petershams & trowserings	0 80 „	2 $6\frac{3}{4}$ „	27 „	132 „	$43\frac{1}{4}$ „
Unmilled stuffs ..	1 20 „	3 $10\frac{1}{2}$ „	41 „	69 „	73 „
C. Linen goods	25 per cent. *ad valorem.*		$23\frac{1}{4}$ „	25 „	25 „ §
D. Silk goods .. .	*Vide* German Memorandum.		27, 28, & $36\frac{3}{4}$ p.c.	44, 61, & 71 p.c.	— ‖

The above Table affords sufficient proof of the allegations so frequently made, that the Russian Tariff on manufactures is almost of a prohibitive character. The faulty computation of the value of imports, already pointed out, reduces considerably, in Russian statistics, the relation of duties to value in the case of textile fabrics, as will be seen from the comparison here attempted. Thus while the Returns of the Russian Board of Trade represent that relation to be only $21\frac{3}{4}$ to $46\frac{3}{4}$ *ad valorem* in the case of four descriptions of cottons, the Committee of the German Commercial Congress fixed the relation at 58 per cent. to 132 per cent. The per-centages quoted in the fifth column are the results of careful comparisons made between Russian goods exhibited at Moscow in May 1865 and British goods of similar high quality. The difference between the German and British calculations—the one based on average prices at Hamburgh, the other on a very careful analysis and comparison of goods in May 1865—is really so slight as to afford the most undeniable evidence of the incorrectness of the Russian valuation and of the exorbitant nature of the duties levied. As regards cloth, the discrepancy between the per-centages derived from Hamburgh average price and those calculated on British goods is to be explained by the fact that the former are based on the prices of cheap cloths, such as would be imported into Russia from Germany, while the English per-centages relate to the best qualities of cloth goods made in England; these, as will be seen from the Reports of the Chambers of Commerce, being alone comparable with the goods exhibited at Moscow.

In the case of unmilled stuffs, again, the results obtained by the German Committee agree very closely with the per-centage deduced from a comparison of British and Russian goods at Bradford. This also must be taken as conclusive proof that the calculations of the German Commercial Congress are perfectly reliable, and that the relation of duty to value in the case of woollens, as in that of all other goods, is very much understated in Russian Returns.

* *Vide* Tables, pp. 15 and 17.

† For further specification, *vide* Comparison of Duties in Memorandum of German Commercial Congress.

‡ Evidently calculated on the price of the cheapest muslins before the cotton famine. The English per-centage is on superior muslins, May 1865.

§ *Vide* Report of Mr. Jacob Behrens, Bradford Chamber of Commerce.

‖ No data for computation.

Flax and hemp goods are charged with *ad valorem* rates of 25 per cent. by sea, and 23 per cent. by land. The difference in favour of the land importation attracts a large proportion of the trade in linen, and the duty actually received on the latter, amounted, therefore, in 1864, to 23¼ per cent. *ad valorem.*

Having proof of the almost perfect accuracy of the German calculations as regards cotton and woollen fabrics, it will suffice for the purpose of this Memorandum to assume the correctness of the calculations in reference to silk goods given in the German Commercial Congress. Great Britain is less interested in silks than in cottons or woollens; for in the event of the reduction of the present high Russian duties on silk, the market will be open to the French rather than to the British manufacturer, whose production is comparatively limited. Moreover, the silks made at Moscow will bear favourable comparison with those produced in Spitalfields; and the Report drawn up by Messrs. Lloyd and Goodman on the Moscow Exhibition mentions the fact that a large silk manufacturer of Moscow has already commenced an export business to Great Britain.

The reduction of such high duties as 44 per cent. and 71 per cent. *ad valorem* is very desirable in the interest of the Russian public, as it would enable them to purchase native manufactures at a price which is not influenced by that of foreign goods after payment of duty.

The manner in which British cotton goods are affected by existing duties in Russia is shown in the following Table, which compares with the utmost precision and fairness the samples of goods exposed at the Moscow Exhibition of 1865, with similar British fabrics. Considerable difficulty was experienced at Manchester in making the desired comparison. In fact, the cotton goods exhibited at Moscow were almost without exception of a class so superior in quality as to be no longer produced in Manchester since the price of raw cotton was raised by the American Civil War. The Manchester Chamber of Commerce was, indeed, at first inclined to doubt the correctness of the prices attached to the samples, and expressed the greatest surprise at finding that the art of manufacturing cotton had attained such perfection in Russia. A report made by one of the largest houses in Manchester* says, "Generally speaking, we do not make such a good class of articles, there being no demand for them. We find that all the kinds are most beautifully made, and must be the work of very skilled workpeople, and the cotton used is of the finest kind." Further observations on the quality of Russian cottons are inserted in the Table.

(*Vide* Table opposite.)

The following is an abstract of the comparisons made in the foregoing Table between British and Russian cottons.

* H. Samson and Leppoc.

COMPARISON OF RUSSIAN AND BRITISH COTTON GOODS.

Russian Manufacturer.	Russian Description of Goods.	Russian Price. Per Arshin.*	Russian Price. Per Yard.	Corresponding English Goods, width, &c.	Price per Yard, May 1865.*	Weight per Yard.	Duty, per Yard. at Russian Tariff Rate, of	Freight and Charges of Exportation to Russia.	Price per Yard of English Goods, inclusive of Duty and Freight.	Observations on corresponding English Patterns.
					(A.)—GREY GOODS.		1s. 1½d. per lb.	10 per cent. on cost.		
		Rs. c.	s. d.		s. d.	oz.	d.	d.	s. d.	
Sundry exhibitors, Moscow, 1865.	Biaz	0 13	0 5¼	T-cloth	0 5	3½	3	½	0 8½	Not exactly like Russian pattern; one little better, the other not so good.
	..	0 13	0 5¼	”	0 4	3½	3	½	0 7½	
	..	0 7½	0 3	”	0 3	2	1¾	¼	0 5	English inferior in quality, but 2 inches wide
	..	0 17	0 6¾	”	0 5¼	4	3¼	½	0 9	English a little inferior.
	..	0 14	0 5½	”	0 4¾	5¾	5	½	0 10¼	English better in material, but scarcely s close in appearance.
	Mitcal . ..	0 9½	0 4	Printer, ⅞	0 3½	2¼	2	¼	0 5¾	Similar in quality; English inferior i colour.
	” . ..	0 12	0 4¾	”	0 4¼	2¾	2¼	½	0 7	Very little difference in the three Russia patterns. English pattern quite equal t Russian at 17 c.
	” . ..	0 14	0 5½	”	0 4¼	2¾	2¼	½	0 7	
	” . ..	0 17	0 6¾	”	0 4¼	2¾	2¼	½	0 7	
	.. .	0 18	0 7¼	Printer, 9/8	0 4	3	2½	½	0 7	Russian closer, and a little better in colou
	.. . ..	0 19½	0 8	Shirtings	0 5¼	3¾	3¼	½	0 9	Russian 2 inches wider, but English supe rior in every other respect.
	” . ..	0 18	0 7¼	”	0 6	4	3¼	½	0 9¾	Russian 1½ inches wider, and rather clos in appearance.
	” . ..	0 22	0 9	”	0 6	4	3¼	½	0 9¾	
	” . ..	0 22	0 9	”	0 6¾	4¼	3½	¾	0 11	English better in colour; Russian closer.
	” . ..	0 30	1 0	”	0 8½	5	4¼	¾	1 1½	Russian closer.
Konovaloff ..	Biaz, stiffened ..	0 13½	0 5½	T-cloth, stiffened ..	0 4½	4	3¼	½	0 8¼	Fair cloth.
	Average ..	..	0 6½	.. .. ..	0 5 30 per cent. cheaper than Russian.	..	3d. per yard. Average duty 60 per cent. on original value.	½	0 8½	N.B.—All the cotton used in the Russia materials far superior to raw cotton no used in Manchester. English goods ar ultimately 23½ per cent. dearer than Rus sian goods.
					(B.)—PRINTED GOODS.		2s. 1½d. per lb.			
Sundry ..	Prints . ..	0 20	0 8¼	Printer, 9/8	0 7¼	3	4¾	¾	1 0¾	
” ..	” . ..	0 14	0 5½	”	0 4½	3	4¾	½	0 9¾	
” ..	” . ..	0 14½	0 5¾	”	0 4¾	3	4¾	½	0 10	Well printed. Quite as good as English.
Hübner ..	” . ..	0 23	0 9½	”	0 7½	3	4¾	¾	1 1	
Zindel ..	” . ..	0 23	0 9½	”	0 7½	3	4¾	¾	1 1	
Lutschy ..	” . ..	0 21	0 8¾	”	0 7¼	3	4¾	¾	1 0¾	
	Average ..	..	0 8	.. .. ..	0 6½ 23 per cent. cheaper than Russian.	..	4¾ per yard. Average duty 73 per cent. on original value.	¾	1 0	English prints ultimately 33⅓ per cent dearer than similar Russian goods. N.B.—The prints exported from Englan to Russia, *via* Prussia and Constantinople are generally of high quality, at origina prices, ranging from 7½d. to 8d. The prints sent to St. Petersburg are those at about 10d. per yard. A piece of print has 26 yards.
					(C.)—FUSTIANS.		2s. 1½d. per lb.			
Morozoff ..	Plis, No. 3 ..	0 25	0 10¼	Velveteens, 15–15½ in.	0 7½	3	4¾	¾	1 1	The Russian patterns are made of better cotton and finer yarn than is usual in Manchester; another difference is, that Manchester goods have a nap raised on the back, which the Russian goods have not.
” ..	” No. 7 ..	0 32	1 1	” 16½ in. .	0 10	4	6¼	1	1 5¼	
” ..	” No. 14 ..	0 53	1 9¾	” 20½ in. .	1 2¾	5¾	9	1½	2 1¼	
” ..	” No. 15 ..	0 57	2 0	” 22 in. .	1 5½	7¼	11½	1¾	2 6¾	
	Average ..	..	1 5¼	.. .. ..	1 0½ 38 per cent. cheaper than Russian.	..	7¾ Average of duty, 62 % on average original value.	1¼	1 9½ English velveteens 19¾ per cent. dearer than Russian.	
					(D.)—VARIOUS.		1s. 1½d. per lb.			
Morozoff ..	Cashmere ..	0 20	0 8¼	Twill	0 6¾	3	2½	¾	0 10	English better in quality and finish.
” ..	Calico, glacé ..	0 28	0 1½	Glazed shirting ..	0 7½	4	3¼	¾	0 11½	
Konovaloff ..	” black and grey ..	0 11½	0 4¾	Dyed ” ..	0 3¾	2¼	2	½	0 6¼	
	Average ..	..	0 8	.. .. ..	0 6 33⅓ % cheaper than Russian.	..	2½ Average duty 42 % upon average original value.	¾	0 9¼ English 13½ per cent. dearer than Russian.	
Morozoff ..	“Demi coton” ..	0 21	0 8¾	Satteen, drab, 24 in. .	0 6¾	3½	3 Duty 45 per cent. on original value.	¾	0 10½ English 16¾ % dearer than Russian.	English not so good as Russian. N.B.—These goods were 20 per cent. dearer in October 1865. Discount of 1½ per cent. on all cotton goods.
—— . ..	Turkey-red goods ..	0 28	0 11½	Turkey-red goods ..	0 8	..	.. ..	..	.. ..	English 2½ inches narrower, but greatly supe rior in colour, and about equal in cloth.
Rabeneck ..	” ..	0 29	1 0	” ..	0 10½	..	.. ..	..	.. ..	English 2½ inches wider; nearly equal in quality, but not so well made; colour inferior.
Morozoff ..	Sarpinka ..	0 28	0 11½	.. .. ..	0 10½					
” ..	Nanka . ..	0 14	0 5½	Chambray	0 5¼					
” ..	Cotton, chequered ..	0 17	0 6¾	n..	0 6½					
” ..	Sarpinka ..	0 21	0 8¾	” ..	0 8¼					
” ..	” ..	0 19	0 7¾	” ..	0 7¼					
” ..	Nanka . ..	0 10	0 4	” ..	0 5	..	.. ..	..	. ..	English not so good.
” ..	Sarpinka ..	0 15	0 7½	” ..	0 6					
—— . ..	Quiltings ..	..	1 9	Quiltings	1 5	..	.. ..	..	.. ..	English pattern 2 inches wider.
	” ..	..	1 5	”	1 3	..	.. ..	..	.. ..	
	Average ..	..	0 10¼	.. .. ..	0 9 About 14% cheaper than Russian.					
Morozoff ..	Jaspé . ..	0 30	1 0	Drills, half flax, same price.						
” ..	Tricot, half flax . ..	0 32	1 1							
” ..	Tick, Bukharian ..	0 35	1 2¼	Robes	.. ..	..	.. ..	..	.. ..	Could not have been made cheaper.
” ..	” ..	0 46	1 4½	”	.. ..	..	.. ..	..	.. ..	
” ..	Nanka ..	0 24	0 9¾	”	.. ..	..	.. ..	..	.. ..	
	Average ..	..	1 1							
					(E.)—LIGHT FABRICS.		3s. 3d. per lb. including 10 %	8 per cent. on cost.		
Popova, No. 155, Catalogue of Moscow Exhibition.	Muslin, figured ..	0 28	0 11½	Muslin sold by Messrs. J. H. Young, and Co., Glasgow	0 5¼	1	2½	½	0 8¼	English goods 1 inch broader.
	” ” ..	0 37	1 3		0 6¼		2½	½	0 9¼	” 4 inches narrower.
	” ” ..	0 40	1 4½		0 6¼		2½	½	0 9¼	” 1 inch broader.
	” plain {Per piece of 15 arshins	5 50	1 3		0 6¾		2½	½	0 9¾	” 1 inch narrower.
	” figured ..	0 32½	1 1		0 7		2½	½	0 10	” 2 inches narrower.
	” ” ..	0 42	1 5¼		0 7½		2½	½	0 10½	” 4 inches broader.
	” plain {Per piece of 20 arshins	5 80	1 0		0 9		2½	¾	1 0¼	” 1 inch narrower.
	Russian average price per yard ..	..	1 2¼	British original average price per yard ..	0 6¾	..	2½ Average duty 37 per cent. upon average original value.	½	British average price in Russia, per yard 9¾d.	The original average cost of British muslins is 111 per cent. cheaper than Russian ditto. The ultimate average cost, including duty and freight of British muslins is 9¾d., which, compared with the co[illegible] Russian ditto, at 1s. 2¼d., makes the B[illegible] goods ultimately [illegible] per ce[illegible]

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* In October 1865 the prices of these cotton goods were 25 per cent. above those quoted in May.

ABSTRACT of Comparison of Russian and British Cotton Goods.

Description of Goods.	Average Russian Price, Per Yard.	Average Price of Corresponding Goods in Great Britain.		Average Rate of Duty levied.		Average Freight and Charges of Exportation to Russia per Yard.	Ultimate Price of Corresponding British Goods in Russia.	
		Per Yard, May 1865.	British, Per cent. Cheaper.	Per Yard.	Per cent. on Value.		Per Yard.	British, Per cent. Dearer or Cheaper than Russian.
	s. d.	s. d.		d.		d.	s. d.	
A. Close fabrics:								
Grey goods	0 6½	0 5	30	3	60	½	0 8½	23½
Prints	0 8	0 6½	23	4¾	73	¾	0 12	33⅓
Fustians	1 5¼	1 0½	38	7¾	62	1¼	1 9½	19¾
Dyed cottons ..	0 8	0 6	33⅓	2½	42	¾	0 9¼	13½
"Demi-coton" ..	0 8¾	0 6¾	29¾	3	45	¾	0 10½	16¾
			32	4¼	57¼	¾		21½ dearer.
B. Sundry other descriptions:								
"Sarpinka" ..								
"Nanka"	0 10¼	0 9	14	..	..	½	—	No data for ascertaining.
Quiltings								
Chequered cottons ..								
"Jaspe"								
Tricot .. .	1 1	1 1	equal.	..	..	½	1 1½	10 dearer.
Tick, Bukharian ..								
C. Light fabrics:								
Muslins	1 2¼	0 6¾	111	2½	37	½	0 9¾	46¼ cheaper.

In the case of close cotton fabrics, plain, dyed and printed, the difference in the cost of production was about 32 per cent. to the advantage of Manchester in May 1865, or about 26 per cent. to the disadvantage of Russia; but it will be seen from the observations on the other side that the qualities of the goods compared were on the average favourable to Russia. Nevertheless the Tariff of 1857 sought to countervail such a trifling difference in the relative cost of production, by imposing a duty equal to 57¼ per cent. *ad valorem*, or about 31 per cent. more than the manufacturers of cotton in Russia actually required. This result is strikingly coincident with that obtained quite independently at Bradford, by Mr. Jacob Behrens, who shows in his report* that the Russian manufacturers of mixed woollens sacrifice about 30 per cent. of the price which they might charge were it not for the competition of the smuggler, whose expenses are reputed to amount to that per-centage.

The legal importation of British cotton goods under such circumstances into Russia to the extent, in 1864, even of 76,000*l.* can only be attributed, partly to the Russian manufacturers being unable to supply the whole demand, and partly, perhaps, to the superiority as regards cheapness of certain descriptions of British cotton fabrics, and particularly that of muslins. Indeed, several members of the Manchester Chamber of Commerce declared that if Russian manufacturers of cotton goods were in a position to meet a demand from abroad, they would gladly purchase any quantity of grey goods at the prices quoted in the catalogue of the Moscow Exhibition. A reduction of the duties to a point which would place the

* *Vide* p. 100.

British and the Russian manufacturer on an equality would, therefore, be quite sufficient to protect the interests of the latter, even at his own estimate of them. Experience, however, as well as theory, teaches that the reduction of the import duty on a manufacture tends to economise and cheapen its cost of production at home; and the natural inference under existing conditions is, that however cheap Russian cottons may be at the present moment, there is every probability of their becoming still cheaper, to the advantage and increase of the consumption, were the fictitious protection of the Tariff entirely removed. That the manufacturers of cottons in Russia are under no disadvantage compared with those in Great Britain will be evident from a perusal of the accompanying Memorandum on the cotton trade of Russia, in which further particulars respecting this branch of industry will be found.*

Patterns of woollen goods exhibited at Moscow were subjected to the same examination as the patterns of cottons, at the Chambers of Commerce of Leeds, Bradford, Huddersfield, Dewsbury, and Batley, while those of cloth of superior quality were reported upon by the largest manufacturers of broadcloths and trouserings in the West of England.†

The reports of those Chambers on the Russian patterns submitted by them will be found appended to Messrs. Lloyd and Goodman's report, and it must suffice here to present some of their conclusions, in a tabular form, as an illustration of the manner in which similar British goods are affected by the Russian tariff. It must be premised that in the case of woollens also, the per-centages shown in the following Table relate (in regard to Leeds, Huddersfield, Dewsbury, and Batley) to qualities of cloth inferior in material, although perhaps not in appearance, to Russian fabrics. It seems from the reports of these Chambers of Commerce that woollen goods similar to those exhibited in Moscow are not manufactured at our great centres of cloth manufacture. It is only in the west of England where comparatively small quantities of broadcloths and trouserings are produced of pure wool, the other goods made in Great Britain having mostly a considerable admixture of "shoddy" and "mungo."

A comparison, however, made with great care and conscientiousness, has given the results recorded in the following Table.

(*Vide* Table opposite.)

The results of the comparisons made will be more clearly seen in the following abstract.

* The removal of the protection ostensibly given in Russia to cottons has been urgently recommended in the "Moscow Gazette," *vide p.* 73.

† Messrs. W. B. and G. Shepherd, Frome, and Messrs. Brown and Palmer, Trowbridge.

COMPARISON OF RUSSIAN AND BRITISH WOOLLEN GOODS.

Russian Manufacturer.	Description of Goods.	Russian Price in May, 1865. Per Arshin.	Russian Price in May, 1865. Per Yard.	Corresponding English Goods.	Price per Yard in May, 1865.	Weight per Yard.	Russian Tariff Rate, per lb.	Freight and Charges of Exportation to Russia.	Ultimate Price per Yard of English Goods, inclusive of Duty and Freight.	Observations.
				Made in Leeds.			4s. 6¾d. or 4s. 7d.	12½ per cent. on cost.		
		Rs. c.	s. d.		s. d.	lbs. oz.	s. d.	s. d.	£ s. d.	
Chetverikoff ..	Broadcloth, black and blue..	1 55	5 4	Broadcloth, 56 inches..	5 4	1 2½	5 3½	0 8	0 11 3½	
" ..	" " ..	2 10	7 2	" " ..	7 2	1 2½	5 3½	0 10¾	0 13 4¼	
" ..	" blue	2 25	7 8	" " ..	7 8	1 2½	5 3½	0 11½	0 13 11	
" ..	" black ..	2 40	8 2½	" " ..	8 2½	1 2½	5 3½	1 0¼	0 14 6¼	
" ..	" " ..	1 70	5 10	" " ..	5 10	1 2½	5 3½	0 8¾	0 11 10¼	
" ..	" " ..	1 90	6 6	" " ..	6 6	1 2½	5 3½	0 9¾	0 12 7¼	
" ..	" " ..	2 0	6 10	" " ..	6 10	1 2½	5 3½	0 10¼	0 12 11¾	
Baron Stieglitz .	" drab ..	2 85	9 9	" " ..	8 7	1 6	6 3½	1 0¾	0 15 11¼	Have nothing like this. Could be made here for about 8s. per yard.
" ..	" black ..	3 0	10 3	" " ..	9 0¼	1 4	5 8¾	1 1½	0 15 10½	From so small a slip, the price cannot be exactly fixed.
" ..	" " ..	3 25	11 1	" " ..	9 9	1 6	6 3½	1 2½	0 17 3	
" ..	" mixture and black	3 75	12 10	" " ..	11 3½	1 6	6 3½	1 5	0 19 0	
" ..	" green ..	4 0	13 9	" " ..	12 8¾	1 7	6 7	1 7	1 0 10¾	
" ..	" " ..	4 25	14 7	" " ..	13 6	1 5	6 0¼	1 8¼	1 1 2½	Ditto.
" ..	" black, green, and scarlet	5 0	17 2	" " ..	15 10½	1 7	6 7	1 11¾	1 4 5¼	
" ..	" black ..	5 50	18 10½	" " ..	17 6¼	1 5 1 3	6 0¼ 5 5¼	2 2¼ 2 2¼	1 5 8¾ 1 5 1¾	
	Average ..	..	10 4¾	.. .. ..	10 2½ 1¾ per cent. cheaper than Russian.	..	5 9¼ per yard. Average duty, 56½ per cent. on original value.	1 3¼	0 17 3	The English cloths are originally 1¾ per cent. cheaper than Russian. The duty is equal to 56½ per cent. on original value. English cloths ultimately average 30¾ per cent. dearer than Russian.
				W. B. and G. Sheppard, Frome.			4s. 6¾d. or 4s. 7d.	12½ per cent. on cost.		
Baron Ungern Sternberg	Broadcloth	2 90 to 5 25	9 11 to 18 0	Broadcloths, 58 inches	9 6	1 0	4 7	1 2¼	0 15 3¼	English broadcloths originally 16½ per cent. cheaper; duty on value 49 per cent.; freight, &c., 12½ per cent. Ultimately dearer, 27¾ per cent.
				Superfine cloths, 60 in.	9 3	1 3	5 5¼	1 1¾	0 15 10	
				Milled black cloth, 62 in.	16 0	1 5	6 0¼	2 0	1 4 0¼	
Baron Stieglitz	"	2 50 to 5 25	8 6½ to 18 0	" " 63 in.	18 0	1 4	5 8¾	2 3	1 5 11¾	
				Half milled coating, 58 in.	8 6	1 2	5 2	1 0¾	0 14 8¾	
				Milled coating, 58 in. .	10 6	1 10	7 5¼	1 3¾	0 19 3	
Fiedler ..	"	2 80 to 4 40	9 7 to 15 0	Single Venetian, 58 in.	8 9	0 12	3 5¼	1 1	0 13 3¼	
				Half milled black, 58 in.	9 9	1 0	4 7	1 2½	0 15 6½	
				Milled black, 58 in. ..	11 6	1 10	7 5¼	1 5¼	1 0 4½	
	Average ..	..	13 2	.. .. ..	11 3¾	..	5 6½ Or 49 per cent. on original value.	1 4¾	0 18 3	
				Made at Dewsbury and Batley.			2s. 6¾d.	12½ per cent. on cost.		
Ganeshin ..	Thick coatings	3 25	11 1¼	Pilot	10 0	1 12	4 5¾	1 3	0 15 8¾	English coatings originally 13½ per cent. cheaper than Russian; duty on value, 43¼ per cent.; freight 12½ per cent. English coatings ultimately 27 per cent. dearer than Russian.
" ..	"	3 50	12 0	Reversible pilot ..	10 0	1 14	4 9¾	1 3	0 16 0¾	
Bakhrushin ..	"	3 40	11 7½	" velvet ..	9 6	1 12	4 5¾	1 2¼	0 15 2	
Tsurikoff ..	"	4 0	13 9	" coating ..	12 0	2 0	5 1½	1 6	0 18 7½	
Ungern Sternberg	"	4 0	13 9	" " .	12 0	2 0	5 1½	1 6	0 18 7½	
" ..	"	4 0	13 9	" " ..	12 0	2 0	5 1½	1 6	0 18 7½	
" ..	"	4 50	15 5½	" elysian ..	14 0	2 4	5 9¼	1 9	1 1 6¼	
Wehrmann ..	"	4 0	13 9	" beaver ..	11 6	1 14	4 9¾	1 5¼	0 17 9	
" ..	"	4 25	14 7	" elysian ..	14 0	2 4	5 9¼	1 9	1 1 6¼	
" ..	"	4 25	14 7	" beaver ..	14 0	2 0	5 1½	1 9	1 0 10½	
Isaieff ..	"	3 40	11 7½	Beaver	10 0	1 14	4 9¾	1 3	0 16 0¾	
Safonoff ..	"	3 50	12 0	Fur beaver.. ..	10 6	1 14	4 9¾	1 3¾	0 16 7½	
" ..	"	3 50	12 0	"	10 6	1 11	4 4	1 3¾	0 16 1¾	
" ..	"	3 85	13 2	"	11 3	1 13	4 7¾	1 4¾	0 17 3½	
" ..	"	3 30	11 3	"	10 0	1 12	4 5¾	1 3	0 15 8¾	
" ..	"	3 0	10 3	"	9 0	1 11	4 4	1 1½	0 14 5½	
	Average ..	..	12 9½ per yard.	.. .. .. All 54 inches wide.	11 3¼ per yard.	..	4 10½	1 4¾	0 17 6½	
				Made at Huddersfield.			2s. 6¾d.	12½ per cent. on cost.		
1, 2. Osipoff ..	Fancy trouserings ..	2 40	8 2½	Fancy trouserings, 54 in.	7 6	1 4	3 2½	0 11¼	0 11 7¾	N.B.—The weights are given as the best judgment that can be formed. Many of the patterns are so small as to cause great difficulty in correctly estimating the weight. The weight and prices are per yard of the stated width here. It is considered that the freight and other export charges, up to delivery, free at the Custom-house in Russia (but not including duty), would amount to about 12½ per cent.
3. " ..	" ..	3 25	11 1¼	" "	9 6	2 0	5 1½	1 2¼	0 15 9¾	
4. " ..	" ..	3 50	12 0	" "	8 0	1 8	3 10¼	1 0	0 12 10¼	
5. " ..	" ..	3 50	12 0	" "	9 6	1 12	4 5¾	1 2¼	0 15 2	
6. " ..	" ..	3 50	12 0	" "	10 0	2 0	5 1½	1 3	0 16 4½	
7. " ..	" ..	3 50	12 0	" "	9 6	2 0	5 1½	1 2¼	0 15 9¾	
8. " ..	" ..	3 50	12 0	" "	9 6	1 12	4 5¾	1 2¼	0 15 2	
9. " ..	" ..	3 50	12 0	" "	8 0	1 12	4 5¾	1 0	0 13 5¾	
10. " ..	" ..	3 50	12 0	" "	11 0	2 0	5 1½	1 4½	0 17 6	
11. Gutchkoff ..	" ..	1 0	3 5	" 28 in.	3 4	0 9	1 5¼	0 5	0 5 2¼	
12. " ..	" ..	1 0	3 5	" "	3 0	0 7	1 1½	0 4½	0 4 6	
13. " ..	" ..	1 0	3 5	" "	3 0	0 7	1 1½	0 4½	0 4 6	
14. " ..	" ..	1 0	3 5	" "	3 8	0 9	1 5¼	0 5½	0 5 6¾	
15. " ..	" ..	1 0	3 5	" "	3 3	0 7	1 1½	0 4¾	0 4 9¼	
16. " ..	" ..	1 25	4 3¼	" 56 in.	5 0	0 12	1 11	0 7½	0 7 6½	
17. " ..	" ..	2 10	7 2	" "	6 6	1 0	2 6¾	0 9¾	0 9 10½	
18. " ..	" ..	2 10	7 2	" "	6 0	1 0	2 6¾	0 9	0 9 3¾	
19. " ..	" ..	1 75	6 0	" "	6 0	1 0	2 6¾	0 9	0 9 3¾	
20. Ganeshin ..	" ..	0 90	3 1	" "	3 0	0 14	2 3	0 4½	0 5 7½	
21. Safonoff ..	" ..	3 0	10 3	" "	8 0	1 8	3 10¼	1 0	0 12 10¼	
22. " ..	" ..	3 0	10 3							British fancy trouserings, originally 22¾ per cent. cheaper, but ultimately 29¼ dearer than Russian. The duty averages 47¼ per cent. on cost.
23. " ..	" ..	3 0	10 3	" "	9 0	1 8	3 10¼	1 1½	0 14 0	
24. " ..	" ..	3 0	10 3	" "	8 0	1 8	3 10¼	1 0	0 12 10¼	
25. Wehrman ..	" ..	3 50 to 3 75	12 0 to 12 10	" "	10 6	2 0	5 1½	1 3¾	0 16 11¼	
26. " ..	" ..			" "	10 0	2 0	5 1½	1 3	0 16 4½	
27. " ..	" ..			" "	11 0	2 0	5 1½	1 4½	0 17 6	
28. " ..	" ..			" "	8 6	1 8	3 10¼	1 0¾	0 13 5	
29. " ..	" ..									
	Average ..	..	8 11¾	.. .. ..	7 3¾	..	3 5½ 47¼ per cent. on cost.	0 11	0 11 8¼	
				Brown and Palmer, Trowbridge.*			2s. 6¾d.	12½ per cent on cost.		
Wehrmann ..	Trouserings, 56 inches ..	3 80	13 0	Trouserings, 28 inches; if 56 inches ..	10 0	0 14	2 3	1 3	0 13 6	The Russian patterns are stouter and of finer wool than is generally used in England, except in small quantities for limited exclusive trades in the west end of London. The trouserings made by the Messrs. Brown and Palmer are from Colonial wool, and the Russian from foreign wool of German (Austrian and Prussian) growth. English trouserings about 33 per cent. dearer after payment of duty, but originally 30 per cent. cheaper. The duty is about 2s. 3d. per yard, or 22½ per cent. on original value.

* The largest producers of this class of goods in England, if not in Europe.

Abstract of Comparison of Russian and British Cloth.

Description of Goods.	Average Russian Price, per Yard.	Average price of Corresponding Goods in Great Britain.		Average Rate of Duty levied.		Average Freight and Charges of Exportation to Russia.	Ultimate Price per Yard of Corresponding British Goods in Russia.	
		Per Yard, May 1865,	British, per cent. Cheaper.	Per Yard.	Per cent. on Value.		Per Yard.	British, per cent. Dearer, than Russian.
	s. d.	s. d.		s. d.		s. d.	s. d.	
Broadcloths, 56 inches ..	10 4¾	10 2½	1¾	5 9¼	56½	1 3¼	17 3	89¾
„ 58 to 63 inches	13 2	11 3¾	16½	5 6½	49	1 4¾	18 3	27¾
Thick coatings	12 9½	11 3¼	13½	4 10½	43¼	1 4¾	17 6½	27
Fancy trouserings, 28, 54, and 56 inches	8 11¾	7 3¾	22¾	3 5½	47¼	0 11	11 8¼	23¼
Trouserings, 56 inches ..	13 0	10 0	30	2 3	22½	1 3	13 6	33
	11 8	10 0	16¾	4 4½	46¾	1 3	15 7½	30

British broad cloths and trouserings appear therefore to be on an average 16¾ per cent. cheaper than Russian goods. The duty imposed in order to protect the Russian manufacturers of those materials averages 46¾ per cent. *ad valorem,* but they apparently only take advantage of it to the extent of 16¾ per cent. The elaborate report by Mr. Behrens on fabrics of pure wool still further confirms this conclusion, arrived at in the case of cottons and cloths, that the Russian manufacturers practically renounce the advantages of the tariff to the extent of 30 per cent., which, as has already been observed, represents the competition of fraudulently imported textile fabrics. The subject of the manufacture of cloth in Russia and in England being so minutely treated in the annexed Reports of the Chambers of Commerce, it is superfluous to continue here its further examination. The present condition of the woollen industry is shown in a separate Memorandum, where, also, further evidence will be found to prove that a scale of duties such as that adopted in the Zollverein, and not exceeding 10 per cent. *ad valorem,* would do more for the development of the industry in Russia than the present high rates so favourable to contrabandists.

The Belfast Chamber of Commerce has examined the few patterns brought from the Moscow Exhibition, and has supplied the information given in the following Table:—

Russian Manufacturer.	Description of Goods.	Russian Price.		Corresponding English Goods, Width, &c.	Price per Yard, May, 1865.	Weight per Yard.	Russian Tariff Rate per cent. by Sea.	Freight and Charges of Exportation to Russia.	Price per Yard of English Goods, inclusive of Duty and Freight.
		Per Arshin.	Per Yard.						
		Copecks.	s. d.		s. d.		25 per cent. d.	8 per cent. d.	s. d.
Gribanoff, No. 435 in Catalogue of Moscow Exhibition	Linen, No. 3,040	31	1 0¾	Linen manufactured at Belfast	0 11½	...	2¾	1	1 3¼
	„ No. 3,545	32	1 1		1 0	...	3	1	1 4
	„ No. 4,550	37	1 3		1 2	...	3¼	1	1 6¼
	Average Russian Price	...	1 1½	Average British Price	1 0½	...	3	1	1 4½
					8 per cent. cheaper than Russian.				30½ per cent. dearer than Russian.

The Linen Trade Committee of the Belfast Chamber of Commerce reported as follows:—

"It appears from the prices attached to the samples that these goods are being produced in Russia at a figure which, in some cases, more than competes with our manufacturers, while in others a very trifling duty would be quite a sufficient protection to the Russian manufacturer, especially as freight and insurance forms a very considerable item which has to be added to our goods.

"We are of opinion that an *ad valorem* duty of 10 per cent. would be found fully sufficient for all purposes of protection to the Russian manufacturer, and would materially increase the amount of duty levied, as it would do away with the

great inducement held out for fraudulent practices, through the present extreme rates."

The last considerable group of duties included in the subdivision of the Tariff under consideration, are those on manufactured metals, or the goods in which Sheffield and Birmingham are most concerned. Mr. J. D. Goodman, Chairman of the Small Arms Trade, made a careful survey of the metallic manufactures exhibited at Moscow, and it is therefore in the report which that gentleman, in conjunction with Mr. S. S. Lloyd, presented to the Association of Chambers of Commerce of the United Kingdom, that the most complete information respecting the relative qualities and prices of Russian goods of this class must be sought. The observations in the present Memorandum must chiefly consist in a statement of the duties imposed by the present Tariff of Russia, and the relation which these bear to certain classes of hardware, as far as the Chamber of Commerce and Manufactures of Sheffield has been able to determine it. As the Table of duties on manufactured metals inserted in the Memorandum of the German Commercial Congress contains two important errors, an extract is here made from the Russian Trade Returns for 1864, and from the last edition of the Russian Tariff, showing the computed value of the metal goods imported, the duties levied on them, and their relation (according to the Russian computation) to original cost.

TABLE showing the Value of the Hardware imported into Russia from Countries in Europe in 1864, and the Amount of Duties levied thereon.

Article of Tariff, 1865.	Description of Manufacture.	Tariff Rates. Russian Rates.	Tariff Rates. English Equivalent.	Russian Official Value.	Duties levied.	Relation of Duties to Declared Value.
	A. Wrought and Cast-iron and Steel—	Not including 10 per cent. additional		£	£	
206	Blacksmith's work and articles of sheet-iron not tinned ..	R. c. 1 0 per pud	s. d. 8 3 per cwt.	81,818	22,712	27 per cent.
	Agricultural implements imported at ports in south of Russia	0 50 „	4 2 „	567	48	8½ „
207	Iron and steel wire, wire nails, and steel strings for musical instruments	1 80 „	14 10 „	7,352	3,133	42½ „
	Telegraph wire	0 45 „	3 9 „	11,082	1,820	16½ „
208	Tin in plates	1 50 „	12 6 „	35,345	7,498	21¼ „
209	Tin goods, coloured or plain, but without painting or other ornament	2 50 „	20 8 „	6,947	1,325	19 „
210	Ditto painted, gilt, or otherwise ornamented	8 0 „	66 2 „	3,913	1,435	36½ „
211	Iron goods, tinned and iron utensils enamelled	2 50 „	20 8 „	...	...	...
212	Scythes, reaping hooks, straw-cutters and mowers	0 40 „	3 4 „	123,734	4,265	3½ „
				270,758	42,236	22 per cent.
	B. Cutlery—			£	£	
213	(A.) Cutlery mounted in wood, horn, bone, whalebone, or other cheap material; scissors, pincers; blades polished or otherwise	0 40 per lb.	1 2 per lb.	9,410	2,450	26 per cent.
	(B.) Ditto mounted in ivory, tortoiseshell, mother-of-pearl, &c., with ornaments of same, or of gold, silver, or bronze ...	1 0 „	2 11½ „	None shown	in Returns.	...
	(C.) Knives and forks mounted in gold, silver, or plate, pay duty under Articles 204 and 205	...	...	...	...	...
214	Firearms, swords, &c., and appurtenances	0 40 „	1 2 „	16,626	2,490	15 per cent.
215	Tools, iron and steel, or partly copper; files, &c.; moulds for sugar-baking, &c.; rapiers; bellows for forges, &c.:—					
	By sea	0 80 per pud	6 7 per cwt.	133,070	8,170	6 „
	By land	0 50 „	4 2 „			
216	Needles, sewing	1 50 per lb.	4 6 per lb.	4,343	2,017	46¾ „
217	Ditto, packing, knitting, sail-making, &c.	0 25 „	0 8¾ „	1,125	19½	17¼ „
218	Articles of iron or steel wire, except those specially mentioned; wire for shapes covered with paper, silk, or thread	4 0 per pud	33 1 per cwt.	43,261	8,945	20½ „
219	Birds' cages, of iron or steel wire	4 0 „	33 1 „	...	...	...
220	Locksmiths' work, unpolished; locks, hinges, tongs or pincers, springs, awls, screws, and other work not blacksmiths' (No. 206); also iron boxes and safes with or without brass, more than 36 lbs. each, polished or otherwise	4 0 „	33 1 „	21,678	4,437	20½ „
221	Ditto polished, with or without brass	8 0 „	66 2 „	2,717	537	19¾ „
222	Articles of cast-steel not mentioned above—					
	(A.) Weighing not more than 18 lbs. English each	4 0 „	33 1 „	...	...	...
	(B.) Weighing more than 18 lbs.; bells, mortars, &c.; also carriage-springs and axles, with brass bolts, nuts, and caps—					
	By sea...	1 50 „	12 6 „	12,287	3,395	28½ „
	By land	1 0 „	8 3 „			
223	(A.) Cast-iron utensils enamelled	1 20 „	9 11 „	3,200	785	24½ „
	(B.) Cast-iron, manufactured, except small articles not above 2¾ lbs. under Article 220)—					
	By sea	0 80 per lb.	2 4 per lb.	11,663	3,770	32¼ „
	By land	0 50 „	1 6 „			
				239,337	37,090	23 per cent.
	Blacksmiths' work imported free of duty	...	...	6,700		
				266,027		

TABLE showing the Value of Copper, Brass, Lead, and Zinc Work, &c., imported into Russia from countries in Europe in 1864, and the Duties levied thereon.

Article of Tariff, 1865.	Description of Manufacture.	Tariff Rates. Russian Rates.	Tariff Rates. English Equivalent.	Russian Official Value.	Duties levied.	Relation of Duties to Official Value.
		Not inclusive of 10 per cent. additional				
	A. Copper and Brass—	R. c.	s. d.	£	£	
224	Copper and brass work; articles of domestic use in copper or brass, in combination with wood, iron, leather, tin, or other cheap material	4 0 per pud	33 1 per cwt.	24,994	4,996	20 per cent.
225	Copper and brass wire, plated (Argentine) wire, and brass wire for musical instruments, including weight of bobbins—					
	By sea	3 0 „	24 9 „	1,101	203	18¼ „
	By land	2 50 „	20 8 „			
226	Articles manufactured of copper and brass wire (except those under Article 29, used in manufactories)	6 0 „	49 6 „	204	46	22½ „
	Bird-cages of copper wire...	6 0 each	16 0 each	...	...	...
227	Tinsel and foil	0 45 per lb.	1 4 per lb.	2,595	432	16⅔ „
				28,894	5,677	19½ per cent.
	B. Pewter and zinc, in manufactured articles (except those specified)—			£	£	
	By sea	4 0 per pud	33 1 per cwt.	9,825	1,745	17¾ per cent.
	By land	3 0 „	24 9 „			
228	Lead in manufactured articles...	1 20 „	9 11 „	4,290	410	9½ „
				14,115	2,155	13½ per cent.

The per-centages shown in this last column of the foregoing Tables are evidently based on an erroneous valuation of the imports, for they are in many instances far below those founded on the actual cost in Sheffield of certain articles of hardware. The following Table shows the present average prices of a few Sheffield goods, and the relations which the duty levied on them bears to their value :—

Articles.	Price in Sheffield.	Tariff Rate. Russian.	Tariff Rate. English Equivalent.	Relation of Duty to Value. Russian Estimate.	Relation of Duty to Value. English Estimate.
	£ s.	c.	£ s. d.	Per cent.	Per cent.
Spring or pocket knives, 1st quality	30 0 per cwt.	1 10 per lb.	18 4 0 per cwt.	—	60½
Table knives and forks, 1st quality	40 0 „	1 10 „	18 4 0 „	—	45½
Ditto, common	5 10 „	0 44 „	7 4 8 „	26	131½
Spring or pocket knives, common	5 0 „	0 44 „	7 4 8 „	26	145
Sickles	3 0 „	0 44 per pud	0 3 8 „	3½	6
Scythes	4 0 „			3½	4½
Files, 1st quality	8 10 „	0 88 „	0 7 3 „	6	4¼
Ditto, common	5 5 „	0 88 „	0 7 3 „	6	7
Saws, medium	6 0 „	0 88 „	0 7 3 „	6	6
Edge tools..	5 10 „	0 88 „	0 7 3 „	6	6½
Joiners' tools	4 5 „	0 88 „	0 7 3 „	9	8½

These calculations are confirmed by the following report made by the Sheffield Chamber of Commerce and Manufactures, November 5, 1856 :—

"1. The duty levied by the Russian Government on cutlery with wood, bone, &c., handles, is at the rate of 100 to 150 per cent., according to the value of the goods in question as made here.

"The duty on cutlery with ivory, pearl, &c., handles, is at the rate of 50 per cent. on the goods as made here.

"The duty of 6*s.* 7*d.* per cwt. (minus the 10 per cent. additional) on tools imported by sea is at the rate of 7½ per cent., and the duty of 4*s.* 2*d.* per cwt. (also minus 10 per cent. additional) by land is at the rate of 8 per cent. on the goods as made here.

"2. Goods corresponding to those named in the catalogue of the Moscow Exhibition are made in Sheffield at the following prices :—

		s. d.		s. d.	
Black handled table knives and forks	from	4 0	to	8 0	per dozen pairs.
White bone ditto, ditto	„	3 6	to	7 6	„
Ivory, ditto	„	14 0	to	60 0	„
Cast-iron bladed ditto	„	1 6	to	2 0	„
1 blade pocket knives	„	1 0	to	10 0	per dozen.
2 ditto, ditto	„	3 0	to	12 0	„
3 ditto, ditto	„	5 0	to	20 0	„
4 ditto, ditto	„	8 0	to	30 0	„
Cast iron scissors..	„	0 3			per dozen upwards.
Cast steel scissors..	„	3 0			„

		s.	d.	
Cast steel tailors' shears*	„	5	0	per dozen upwards.
Razors	„	2	6	„
Bread and butcher knives	„	2	6	„
Dagger knives	„	10	0	„

"The above are all goods in daily manufacture and sale.

"3. The business of Sheffield houses with Russia is seriously injured by the sale of common goods made in Prussia and stamped with Sheffield trade marks. The Treaty with the Zollverein has not removed this evil, because it protects the name of the Sheffield manufacturer only and not his mark, whereas it is by the mark only that the purchaser and consumer are influenced to buy.

"In connection with this, the Chamber desires to draw attention to the gross injustice perpetrated by the Russian Government in admitting tools, &c., sent by land (which is the route for Prussian goods) at 4*s.* 2*d.* per cwt., while the duty on similar articles by sea (which is the route for British goods) is 6*s.* 7*d.* per cwt., as the cost of transit overland must have been reduced very much since the construction of railways."

Owing to the high rate of duty imposed in Russia, and to the competition of smuggled German goods, the Sheffield goods exported to Russia consist of files, tools, and a few knives and scissors, and a small quantity of second quality cutlery, sold in the retail trade in Moscow as first quality.† The tools imported are very common, cheap things, such only being able to stand the competition in price of the smuggled goods. English iron goods are manufactured in large quantities, with English marks and labels, at Hagen, near Düsseldorff, on the Rhine. Thus the sickles, files, and saws imported into Russia from Germany under English names are very inferior goods, but much cheaper than those manufactured at Sheffield. While English sickles are made at 4*s.* 6*d.* to 6*s.* 6*d.* per dozen, German manufacturers make them at prices ranging from 3*s.* per dozen; and while three-square saw files are made in Germany from about 1*s.* 7*d.* the dozen, they cannot be produced in Sheffield for sale in Russia under about 2*s.* 5*d.* per dozen. Great quantities of German goods, known in the trade as "Dutch goods," and marked "J. K." (John Kinnear), enter Russia, and are sold 20 per cent. cheaper than the goods of the manufacturer whose well-known trade-mark is thus fraudulently imitated.‡

The duty on tools is moderate; but it is much to be regretted that owing to the system of differential duties in favour of Prussia, the Russian artizan is supplied with worthless imitations of good English articles.§ It is well known in this branch of trade in the interior of Russia that the imitation goods of Prussia are fit only for sale, not for use. The tools supplied from England would likewise be of higher quality, to the great advantage of the Russian workman, if smuggling, differential duties, and the fraudulent imitation of trade-marks did not prevent the sale of really good hardware.

English hollow-ware might find a market in Russia if it were not for the large quantities of that description of goods smuggled from the Neusaltz works in Silesia. There was once also a large sale for English iron wire, but it is now quite stopped owing to the smuggling from Gleiwitz, in Upper Silesia, of which the manufacturers deliver iron wire in Moscow at a price equal to 20 per cent. above the amount of the duty (14*s.* 10*d.* per cwt.‖) imposed by the Tariff of 1857. Iron wire is openly

* The duty entirely excludes them from Russia.

† The following calculation shows how the English manufacturer is excluded from a trade with Russia in all table cutlery without balances:—

	s.	d.
Prime cost of 1 dozen 3 pin table knives and forks, weight 3 lbs... ..	3	6
Duty	3	6
Carriage, insurance, commission, 10 per cent...	0	4
	7	4

No manufacturer could, however, sell this description of knife, on the usual long credit, at less than 8*s.* 4*d.* the dozen. Cutlery of rather better quality is produced at Fiskars, near Helsingfors, at 7*s.* 3*d.* per dozen. The knives of Tula are not so good, but still cheaper. A reduction of the present duty by about one-half would allow the English manufacturer to compete with the Russian, who would then be induced to improve his goods.

‡ Common razors, buttons, and needles are smuggled into Russia in very large quantities. Jews are known to travel regularly once a-week to Warsaw with several carriers' waggons full of German goods imported fraudulently.

§ The imitation of foreign trade marks is extensively pursued in Russia also. In the case of plane-irons, for instance, wholesale dealers order the cut iron in England and the other in Tula, and affix the name of an English manufacturer. Very good cutlery is made at Pavlova in Russia, and is frequently sold as the produce of Sheffield in shops which profess to sell nothing but English wares. The Russian public always insist on English trade marks in cutlery.

‖ Without the 10 per cent. additional.

sold in Russia by the agents of manufacturers at Gleiwitz at 16*s.* to 17*s.* 6*d.* the cwt.

There is a small trade in English brass wire in Poland and the Baltic provinces. It enters lawfully on payment of a duty of 20*s.* 8*d.** and 24*s.* 9*d.* per cwt. by land and sea respectively,—a duty which amounts to 25 per cent. *ad valorem* in the one case, and to 29 per cent. in the other;† brass wire being manufactured in Birmingham at about 85*s.* per cwt.

The duty on another article of Birmingham manufacture, viz., screws, which pay 33*s.* 1*d.* per cwt. and 10 per cent. additional, is excessively high, and amounts on the larger sizes to nearly 100 per cent. on the cost of production.

The cursory and necessarily imperfect review here presented of the manner in which the Russian Tariff operates on British manufactures may now be concluded with extracts from the Tariff of 1865, showing the duties levied on a few other products of industry in which Great Britain is more or less interested:—

	Rs.	c.		*s.*	*d.*	
Paper, writing and printing	10	0	per pud* or	82	9	per cwt.
„ drawing (Bristol)	2	0	„	16	6	„
Emery paper, asphalte, &c.	0	20	„	1	8	„
Papier-maché and manufactures of ditto, not varnished or painted	0	20	„	1	8	„
Ditto, varnished or painted	10	0	„	82	9	„
Glass and crystal, manufactured, common	1	50	„	12	5	„
Ditto, ground, cut, coloured, gilt, &c.	9	0	„	74	6	„
Sealing-wax	2	0	„	16	6	„
Earthenware, plain	1	10	„	9	1	„
Ditto, coloured, gilt, painted, &c.	3	50	„	28	11	„
Porcelain, white or of 1 colour, or with coloured borders	6	0	„	49	8	„
Ditto, painted, gilt, &c...	12	0	„	99	3	„
China figures, vases, &c., painted, gilt, or with bronze ornaments	23	50	„	194	5	„
Ditto, without gilding, painting, or bronze ornaments ..	12	0	„	99	3	„

N.B.—Iron-stone china pays 30 per cent. more than the above rates.
Carriages on 4 wheels, 100 rubles or 13*l.* 6*s.* 8*d.* each.
Carriages on 2 wheels, 50 rubles or 6*l.* 13*s.* 4*d.* each.

The total importation of manufactured articles into Russia in 1864, amounted to 21,966,289 rubles (2,930,000*l.*), and the duties levied on them to 4,859,292 rubles (or 645,333*l.*), or to about 22 per cent. on the Russian official valuation of imports. The actual relation of the duties under a correct system of valuation would have presented, at the lowest estimate, the high average of 50 per cent. *ad valorem*, a tax which, while it injures the revenue and destroys trade, affords no actual protection to native industry, because it throws the greater part of the import trade into the hands of the smuggler.

Section III.—*Articles Prohibited, numbered* 397 *to* 201.

These are limited to copper and silver coin of a certain low standard; air guns, and walking sticks, &c., with spring daggers and swords, &c.; gunpowder and its constituents, and fireworks; munitions of war, and the fur and skin of the sea-otter.

Supplement.

This contains a list of the medicinal substances and patent medicines of which the importation is permitted duty free, or on payment of various rates of duty.

Differential Duties.

The differential duties in favour of the land frontier of Russia and the Kingdom of Poland, so frequently referred to in this Memorandum, are the following, as they appear in the new edition of the Tariff of 1857:‡—

* Without the 10 per cent. additional.

† The Russian returns make it appear that the average duty is only 18¼ per cent. *ad valorem.*

‡ Another class of differential duties applies to the trans-Caucasian ports of the Black Sea, but as all European nations can profit by these alike, they need not here be specified.

Articles.	Duties by Sea.*			Duties by Land.*			Duties by Sea higher than by Land.	Duties by Land lower than by Sea.
	Rs.	c.		Rs.	c.		Per Cent.	Per cent.
Truffles, mushrooms, &c. ..	3	60	per pud	1	20	per pud.	67	200
Cloves, and other spices ..	3	50	„	3	0	„	14	16⅔
Pepper	2	30	„	1	80	„	21½	28
Galangale	1	0	„	0	60	„	40	66⅔
Ginger	2	0	„	1	50	„	25	33⅓
Cocoa in berries and husks ..	2	0	„	1	25	„	37½	60
„ ground and chocolate ..	8	0	„	6	0	„	25	33⅓
Coffee and chicory	2	50	„	2	35	„	6	6¼
Sugar, raw	3	0	„	2	50	„	16⅔	20½
„ refined	4	50	„	4	0	„	11	12½
Preserved fruits, syrup, &c. ..	4	50	„	4	0	„	11	12½
Butter	0	80	„	0	40	„	50	100
Oil	1	85	„	1	25	„	32½	48
Salted beef	1	20	„	0	60	„	50	100
Fruit preserved without sugar .	6	0	„	2	0	„	66⅔	200
Oranges and lemons ..	0	80	„	0	40	„	50	100
Olives	1	60	„	1	20	„	25	33⅓
Cheese	4	50	„	4	0	„	11	12½
Rye, &c.	0	60	per chetv.	0	20	per chetv.	66⅔	200
Millet	0	75	„	0	25	„	66⅔	200
Wheat, &c.	0	90	„	0	30	„	66⅔	200
Oats and buckwheat ..	0	45	„	0	15	„	66⅔	200
Rice .. .. .. (At St. Petersburg, 20 copecks per pud.)	0	50	per pud	0	45	per pud	10	11
Pearl barley	0	90	per chetv.	0	30	per chetv.	66⅔	200
Wood, veneer	0	40	per pud	Free			..	..
Indigo	3	0	„	2	50	per pud	16⅔	20
Extract of dye woods ..	1	60	„	1	20	„	25	33⅓
Fox skins..	12	50	„	12	0	„	4	4⅓
Spun silk	4	50	„	4	0	„	11	12½
Paper	5	50	„	5	0	„	9	10
Pottery	0	40	„	0	20	„	50	100
Cabinet work, not polished ..	0	40	„	0	20	„	50	100
„ polished ..	1	50	„	1	0	„	33⅓	50
„ inlaid, &c. ..	6	0	„	5	0	„	16⅔	20
„ carved ..	4	0	„	3	0	„	25	33⅓
Pianofortes and organs ..	45	0	per piece	35	0	per piece	22	28½
Tools	0	80	per pud	0	50	per pud	37½	60
Articles of cast steel, above 20 lbs.	1	50	„	1	0	„	33½	50
„ iron ..	0	80	„	0	50	„	37½	60
Copper and brass wire ..	3	0	„	2	50	„	16⅔	20
Tin and zinc articles ..	4	0	„	3	0	„	25	33⅓
Glass, not ground	1	50	„	1	0	„	33⅓	50
„ ground, gilt, and cut ..	9	50	„	9	0	„	5¼	5½
Flax and hemp manufactures ..	25 per cent. *ad val.*			23 per cent. *ad val.*			2	2
„ hose, &c. ..	0	50	per lb.	0	45	per lb.	10	11
Canvas bags	3	0	per 100	2	40	per 100	20	25
Earthenware, plain	1	10	per pud	0	60	per pud	45½	84
„ coloured ..	3	50	„	3	0	„	14	16⅔
Porcelain, plain	6	0	„	5	0	„	16⅔	20
„ gilt, &c... ..	12	0	„	11	0	„	8¼	9
„ ornaments, &c., gilt	23	50	„	23	0	„	2	2
„ „ plain ..	12	0	„	11	0	„	8¼	9

It will be seen that some of the differential duties are very high, and they are nearly all far in excess of what the manufacturers of Prussia can claim as the difference in the relative cost of carriage by sea and by land.

They are, moreover, wrong in principle, and while promoting the extension of a land traffic, with all its fraudulent features and its great cost of custom-house supervision,† they inflict much injury on British maritime interests as well as on those of Russian sea-ports. Russian as well as British interests would therefore be benefited by an equalization of all duties by sea and by land, and it would, tend much to the simplicity of the Tariff and its comprehension, if all the exceptions in favour of trans-Caucasian ports and other special places of trade were removed in a future edition, based, as it probably will be, on a more rational estimate of the cost of production in foreign countries, and of the

* All these duties are irrespective of the 10 per cent. additional tax.

† It is asserted, and evidently with truth, that the expense of collection on the land frontier of Russia is not covered by the receipts.

terms on which imported commodities can fairly and honestly compete with the produce of native industry.

*Duties on Exports.**

The question of duties on exports from Russia is strictly within the province of the present Memorandum ; and an inquiry into the fiscal policy of Russia as regards foreign trade cannot well terminate without drawing attention to the fact that all specific duties on Russian produce have been abolished since the Tariff of 1857, with the following exceptions :—

	Rs. c.	s. d.
1. Bones, except burnt or ground	10 0 per pud	82 9 per cwt.
2. Timber, according to Tariff of 1823.		
3. Potash, pearlash, &c.	0 55 per 10 puds	0 5½ „
4. Leeches	0 80 per lb.	2 4 per lb.
5. Mats and bags	0 3 per piece	0 1 per piece.
(At Archangel and Onega 1 copeck per 4 pieces)		
6. Rags, woollen and cotton	0 60 per pud	5 0 per cwt.
On land frontier and at Libau in the Baltic.	0 30 „	2 6 „
At ports in Black and Azof Seas . ..	0 20 „	1 8 „
7. Eggs of the silkworm	2 0 per lb.	5 11 per lb.

In addition to these duties a rate of 5 per cent. is imposed on the above goods towards the expenses of works for the benefit of the foreign trade. A charge of ½ copeck per pud is also made at Odessa for the improvement of the port, and there are, besides, a few other small duties levied at the trans-Caucasian ports in the Black Sea on exports of timber.

English paper manufacturers would be very grateful for the abolition, or at all events for a considerable reduction, of the duty on rags, which are so abundant in such an extensive country as Russia that the few native paper-manufacturers cannot possibly require the protection which they no doubt see in the present duties on this article of export. It is also hoped that the reduced duty will be made applicable to all ports of the Empire alike.

3. *Concluding Observations.*

The object for which so much revenue is annually sacrificed, so much fraud and demoralization tolerated, for which international commercial relations are permitted to suffer neglect, and to which, it should be remembered, the most important interests of Russia have been made subject, is *the protection of native industry from ruinous foreign competition.* That object has been pursued since the year 1823 with almost unabated vigour, for although subsequent editions of the Tariff reduced some of the duties originally imposed, it still retained in principle a scale of imposts far in excess of the protection that might be considered strictly necessary on a careful comparison of the relative cost of production in Russia and in foreign countries.†

The success of the policy thus adopted has been measured from time to time at Exhibitions of National Industry, of which the one held at Moscow in the summer of this year was the fifth. At each period a marked progress in manufacturing processes was recorded; the noble proprietors of every description of industrial establishment grew rich by the profitable employment of their serf labour and the high prices which the Tariff on foreign goods enabled them to exact; they reported well of the effect of the commercial system in operation, and even urged a more rigorous enforcement of it, for they still complained of the competition of foreign goods, which they were far from ascribing to the activity of the smuggler. Cotton-mills paid for their cost of erection several times over ; grades and decorations rewarded the successful manufacturers, who at each Exhibition showed how cheaply and how well they could produce goods for which only foreign manufacturers had hitherto been celebrated.

The results thus obtained, they argued, showed the wisdom of a protective

* There are no longer any duties on exports from Great Britain.

† There is nothing that hinders more any inquiry into the relative cost of production in different countries than the diversity of measures, weights, and coins. The process of reduction is lengthy and tedious, and its result seldom strictly accurate. The necessity of adopting one common standard for weights and measures, and ultimately for coins, is becoming strongly felt as international intercourse increases and as successful competition depends more and more upon a minute, fractional comparison of prices in various markets. The Russian Government has already expressed its willingness to adopt the metrical standard for weights and measures as soon as it is enforced by Act of Parliament in Great Britain. There will be then no country in Europe where the simple and perfect metrical system, in its principal units, is not in general use.

policy, of which they prayed a long continuance. It was soon, however, suspected that, among the great reforms which the Emperor Alexander II initiated, a revision of the Tariff would be one of the first. The manufacturers represented that ruin would be sure to overwhelm them if any reduction of existing duties were enacted; and their clamour succeeded so far that the reductions of 1857 were not so great as the Government itself probably desired in the interest of the Imperial revenue. The effect of those reductions was anxiously watched; the Returns of Trade and Navigation certainly recorded a stronger importation of foreign goods, but at the same time there was no distress observable among the manufacturing classes, although these had, in addition to a reduction of the Tariff, to combat with the effects of the Emancipation Act, with a severe commercial crisis, a considerable depreciation of the currency, and, later, with the American Civil War.

Notwithstanding these disturbing causes, apparently sufficient to subvert the best-established interests, the manufacturing industry of Russia continued to prosper. Several cotton-mills were certainly closed from the high price of American cotton; but those that were in strong hands, and conducted on proper principles, with a sufficient amount of capital, survived the crisis, and have even gained by the ruin of *dilettanti* cotton-spinners.

Indeed, while the internal trade of Russia was suffering from all the evil influences above enumerated, the manufacturers were comparatively in a flourishing condition. The Tables given in the accompanying sketch of the manufacturing industry of Russia show that the number of hands employed in certain manufactories registered by the Governors-General of Provinces had increased from 493,704, in 1856, to 539,446, in 1860.

In like manner the number of establishments had augmented in the same period from 10,664 to 14,135. The statistics for 1863 mark a decrease which is probably to be attributed to a more perfect system of gathering the necessary data rather than to any actual diminution of work in manufacturing centres. The figures given in those Tables are borne out by the evidence which the Moscow Exhibition of this year afforded, viz., that the only effect produced within the last few years on manufacturing industry in Russia has been of a most favourable kind. The manufactures of the country, and particularly those of cotton, have to a great extent been taken out of the hands of noblemen, and placed in those of men properly brought up to trade and possessing capital.

If we recapitulate all the many trials that Russian manufacturing industry has so triumphantly tided over within the last few years, viz., a reduction of the Tariff in 1857; a strong commercial and financial crisis which began about 1859; the depreciation of the currency by at least 16 per cent., and, consequently, the still further reduction of Tariff rates to that extent, in addition to several direct changes in favour of foreign imports; the American Civil War; and last, but not the least important of all, the immense increase in smuggling:—when all these untoward circumstances are brought to recollection, they will be found in direct contradiction to the repeated assertion of Russian manufacturers that their ruin must follow any alteration of the present commercial policy of Russia. No arguments can, unfortunately, demonstrate to them satisfactorily that a high Tariff is no protection whatever, but that, on the contrary, it places them at the mercy of a hidden adversary, incomparably more dangerous than an honest competitor who cannot undersell them beyond the limit determined by a rational Tariff.

The advantage to the consumer, to the country, to the revenue, to the Russian manufacturer himself, would be incalculable if the encouragement now afforded to fraud and corruption were removed. Moreover, the assertion made by the manufacturers of Moscow, to the effect that the present duties are just sufficient to protect them from ruin is not borne out by the fact, proved in the case of cottons and woollens, that they actually sacrifice 30 per cent. of the advantage which the Tariff nominally gives them. It is clear that the sacrifice is made by compulsion:—it is necessitated by the competition with smuggled goods.

Among the manufacturing class and the great bulk of the merchants in Russia, the question of free trade is surrounded with much ignorance and prejudice. The answers given by Russian commercial bodies to the clear, logical Memorandum drawn up by a Committee of the German Commercial Congress discloses this to an astonishing degree. The reply given by the most modern of Russian cities is, even impartially speaking, one of the least enlightened documents ever written on the subject. It is much to be regretted that in addition to the extensive native interests which have been created in Russia since 1823, foreigners in immense numbers have

found it to their advantage to settle in a country where a high tariff has enabled them to accumulate exorbitant gains at the expense of the Russian public. The high wages given to English managers of cotton mills, quoted in the Memorandum on the Manufacture of Cotton, illustrates the great profit which foreigners must derive from teaching the arts of manufacture in Russia; indeed, the great majority of the superior manufactories throughout the Empire are either owned or conducted by foreigners, who dread any competition that would reduce their present gains, and place the industries more especially indigenous to Russia on a sounder footing. Thus also the Exchange Committees of St. Petersburg and Riga, seaports to which an extension of foreign trade would appear most desirable, are found on the side of Protectionist principles, because the principal merchants of whom they are composed are extensively interested in home manufactures. Their experience, too, and their means of acquiring correct knowledge are limited by the narrow sphere of their pursuits in a country so remote from more active centres of trade. The enlightened views expressed on the subject of free trade by the most influential portion of the Russian Press,* and those entertained by the greater part of the prominent officials at St. Petersburg, are in strong contrast to the opinions of the commercial bodies whose answers to the German Memorandum are here annexed.

The opposition, however, now offered by a small section of the Russian public will probably be much lessened when it is generally understood that free trade does not necessarily imply the entire abolition of all duties and the sacrifice of existing interests. A reduction of Tariff rates to a point which will still give the Russian manufacturer an advantage of 15 to 20 per cent. over his foreign competitor is all that is now desired in the general interest, and the present memorandum has already shown that, unless this is speedily effected, the ancient trade between Great Britain and the Russian Empire will suffer still further decay, together with the credit of Russia as a prosperous, enlightened, and improving country.

(Signed) T. MICHELL.

December 4, 1865.

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* *Vide* extracts from the Russian Press, p. 64–77.

APPENDICES TO PART I.

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Appendix (A.)—Table of Exports from Russia to Great Britain.

Extracted from Russian Official Returns.

Goods.	1856.	1857.	1858.	1859.	1860.	1861.	1862.	1863.	1864.
	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubls.
Corn	20,520,000	22,233,000	20,529,000	24,090,000	28,660,000	26,611,000	24,318,000	17,796,000	23,470,000
Flax	8,581,290	11,201,000	8,962,000	10,368,000	10,747,000	9,996,000	11,803,000	12,124,000	12,799,000
„ tow	1,086,954	1,141,000	923,000	2,225,000	964,000	1,616,000	1,633,000	1,499,000	1,655,000
Hemp	4,684,942	4,339,000	4,818,000	5,805,000	4,616,000	4,368,000	4,648,000	4,388,000	5,671,000
„ tow..	19,583	26,000	60,000	17,000	50,000	14,000	36,000	30,000	25,000
Hemp and flax yarn	742,667	169,000	311,000	264,000	462,000	887,000	1,296,000	957,000	1,285,000
Timber	2,145,816	2,037,000	1,799,000	1,743,000	1,198,000	1,770,000	2,087,000	1,982,000	2,589,000
Copper	26,384	74,000	49,000	88,000	1,000	51,000	1,000	1,000	85,000
Iron	1,102,087	306,000	176,000	202,000	501,000	257,000	826,000	338,000	598,000
Potash	79,348	54,000	142,000	85,000	63,000	102,000	90,000	8,000	600,000
Tallow	9,831,993	9,753,000	11,225,000	12,487,000	15,043,000	10,268,000	6,674,000	6,927,000	7,388,000
Candles, stearine	..	..	..	161,000	142,000	1,000	..	37,000	6,000
„ tallow	..	..	..	435,000	381,000	471,000	296,000	270,000	313,000
Linseed	9,102,559	10,466,000	8,517,000	8,416,000	10,618,000	7,603,000	11,028,000	7,806,000	12,309,000
Hemp and other seed	27,464	10,000	31,000	186,000	290,000	429,000	573,000	393,000	508,000
Tar	194,753	199,000	169,000	216,000	260,000	392,000	678,000	737,000	513,000
Rags	10,830	39,000	44,000	107,000	109,000	144,000	35,000	47,000	92,000
Horsehair..	162,000	113,000	72,000	78,000	66,000	49,000	54,000	109,000	185,000
Wool and goat's hair	1,794,723	3,556,000	3,487,000	4,602,000	6,286,000	7,696,000	10,365,000	7,278,000	10,773,000
„ yarn	..	..	..	5,000	..	..	7,000	..	6,000
Bristles	1,623,482	1,745,000	1,483,000	1,649,000	1,589,000	1,430,000	1,715,000	2,300,000	2,611,000
Cordage	150,135	146,000	98,000	156,000	396,000	130,000	81,000	184,000	365,000
Linen, canvas, crash	468,033	234,000	337,000	404,000	317,000	248,000	854,000	255,000	564,000
Pelts	155,665	106,000	47,000	115,000	54,000	67,000	10,000	..	..
Feathers, pens, and down	118,247	98,000	123,000	131,000	177,000	286,000	142,000	147,000	109,000
Hides and leather	269,000	1,287,000	187,000	292,000	257,000	271,000	174,000	127,000	357,000
Isinglass	118,000	214,000	243,000	118,000	132,000	133,000	152,000	129,000	164,000
Bones	..	..	..	499,000	406,000	253,000	263,000	225 000	257,000
Sundry goods	1,156,045	2,728,000	2,110,000	1,322,000	1,221,000	780,000	2,621,000	885,000	2,119,000
Total to Great Britain	64,172,000	72,274,000	65,942,000	76,266,000	85,006,000	76,323,000	82,460,000	66,979,000	87,416,000
Total exports from Russia to all countries in Europe	146,772,000	153,420,000	136,487,000	149,396,000	165,184,000	159,860,000	159,970,000	134,724,000	164,903,000

	Silver Rubles.
Average Russian exports to Europe 1856-64	152,000,000
„ „ Great Britain 1856-64	75,000,000

	Silver Rubles.
Average Russian exports to Prussia 1856-64	20,500,000
„ „ France „	14,000,000

Appendix (B.)—Table of Imports into Russia from Great Britain.

Extracted from Russian Official Returns.

Goods.	1856.	1857.	1858.	1859.	1860.	1861.	1862.	1863.	1864.
	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubles.	Silver Rubls.
Machinery and models	1,173,000	4,434,000	4,710,000	7,397,000	4,962,000	5,160,000	3,870,000	2,832,000	4,418,000
Coals	1,009,000	1,396,000	1,731,000	1,847,000	2,665,000	2,110,000	2,375,000	2,744,000	4,528,000
Coffee	338,000	467,000	590,000	705,000	1,165,000	1,206,000	1,426,000	1,855,000	1,656,000
Sugar, raw and refined	387,000	963,000	317,000	369,000	450,000	125,000	258,000	806,000	428,000
Oil	160,000	258,000	122,000	189,000	295,000	733,000	288,000	353,000	248,000
Spirits: rum and brandy	154,000	222,000	250,000	200,000	309,000	302,000	216,000	232,000	165,000
Wine: sherry and port	158,000	960,000	330,000	240,000	300,000	304,000	194,000	244,000	175,000
Beer and ale	223,000	453,000	478,000	386,000	466,000	535,000	402,000	385,000	372,000
Tea	..	..	..	..	..	..	4,882,000	3,136,000	1,583,000
Salt	915,000	1,339,000	1,171,000	1,039,000	1,134,000	1,172,000	2,214,000	1,384,000	1,294,000
Tobacco	34,000	105,000	359,000	90,000	240,000	359,000	646,000	306,000	212,000
Cotton, raw	6,401,000	7,078,000	9,399,000	10,777,000	11,205,000	12,995,000	3,574,000	7,992,000	18,132,000
,, twist	1,690,000	5,123,000	4,439,000	2,126,000	2,004,000	2,437,000	1,011,000	1,314,000	2,766,000
Drugs	1,138,000	2,110,000	1,508,000	2,119,000	1,574,000	1,761,000	1,524,000	1,991,000	2,181,000
Indigo	2,368,000	2,541,000	2,371,000	2,638,000	2,308,000	3,380,000	2,355,000	2,726,000	1,926,000
Cochineal	294,000	328,000	504,000	578,000	583,000	513,000	782,000	431,000	376,000
Logwood	220,000	278,000	355,000	226,000	317,000	191,000	282,000	162,000	163,000
Madder	1,000	11,000	..	6,000	1,000	11,000	10,000	2,000	200
Other dye-stuffs	224,000	702,000	445,000	409,000	400,000	379,000	234,000	257,000	254,000
Metals, unmanufactured: lead ..	835,000	763,000	555,000	852,000	670,000	755,000	727,000	598,000	232,000
,, ,, various ..	540,000	797,000	1,071,000	1,440,000	2,315,000	1,875,000	1,623,000	2,970,000	2,607,000
Wool, raw	889,000	2,205,000	2,883,000	2,708,000	2,411,000	3,225,000	2,049,000	1,613,000	2,280,000
Metals, manufactured: scythes and sickles	13,000	13,000	22,000	26,000	18,000	31,000	18,000	41,000	16,000
,, various.. ..	555,000	1,404,000	1,575,000	1,756,000	1,773,000	1,627,000	1,770,000	2,306,000	1,626,000
Cotton ,, ...	262,000	1,113,000	1,428,000	2,054,000	1,448,000	1,509,000	708,000	410,000	568,000
Linen ,, ...	49,000	198,000	384,000	454,000	329,000	506,000	308,000	266,000	382,000
Silk ,, ...	70,000	101,000	88,000	79,000	91,000	68,000	41,000	160,000	15,000
Wool ,, ...	292,000	699,000	848,000	1,100,000	839,000	987,000	616,000	553,000	607,000
Lace and tulle	..	..	99,000	90,000	54,000	53,000	28,000	51,000	34,000
Pelts	370,000	293,000	422,000	460,000	227,000	274,000	67,000	76,000	76,000
Medicinal substances	111,000	173,000	119,000	195,000	173,000	63,000	145,000	699,000	249,000
Sundry goods	1,412,000	2,357,000	2,120,000	2,899,000	2,893,000	3,085,000	2,670,000	3,769,000	3,340,800
Total from Great Britain ..	22,285,000	38,884,000	40,635,000	45,454,000	43,619,000	47,731,000	36,313,000	42,664,000	52,910,000
Total from all countries in Europe..	104,995,000	131,776,000	128,175,000	136,187,000	135,893,000	142,750,000	125,233,000	127,697,000	144,175,000

	Silver Rubles.
Average Imports into Russia from countries in Europe, 1856-64 ..	131,000,000
,, ,, Great Britain, 1856-64	41,000,000

	Silver Rubles.
Average Imports into Russia from Prussia, 1856–64	28,000,000
,, ,, France, 1856-64 ..	10,000,000

Appendix (C).

History of Manufactures of Russia.

IT was Peter the Great who first introduced into Russia, with any regularity, the system of producing articles of consumption by means of machinery and labour in factories. Previous Sovereigns had to some extent encouraged the fine arts, but he was the first to direct attention to the production at home of those manufactures which foreign merchants, and particularly the English, had been in the habit of importing since the year 1555.

During his travels in Europe he examined attentively the manufactures of the period, and on his return to Russia at once invited foreign artizans to come and establish themselves in his dominions.

He also caused a great number of sheep to be imported, and sent several Russians to foreign countries to be instructed in various arts and trades. One of those Russians was soon after employed by Peter in erecting a cotton-mill and factory, after a Dutch model.

The Tsar gave extensive privileges to manufacturers, and took a warm personal interest in their success.

In 1711, while taking the waters of Carlsruhe, he wrote to the Senate to order that the refuse cows' hair in the tanners' yard should be carefully stored; and in the same year he issued an ukase for the employment in factories of all unchaste women and girls within his dominions.

In 1712 an ukase was issued for the "multiplication of all kinds of manufactories, and especially those of cloth."

In April 1713 an ukase decreed that potash should be made of the branches of those trees which were not fitted for ship-building. Peter likewise ordered linen rags to be collected in every town in the Empire, and to be brought to St. Petersburg, where they were later worked up at a Government paper-mill, which passed into private hands in the year 1753, and still exists.

In 1714 the Russian Ambassador at the French Court was ordered to persuade artizans and artists to come to Russia, and to offer them immunity from all taxation and service, free quarters and allotments of land for a period of ten years. Commissaries-General were at the same time dispatched to Germany to invite "useful men" to come to Russia, with the promise of many privileges.

In 1715 a medical man was sent to China with medicines, and ordered to study the trade and industry of that country. Glass and china works were established in the same year at St. Petersburg.

In 1717 a linen and a cotton factory were established at Jaroslaf, with the assistance of the Emperor. These were later brought to such perfection that they found a market for their productions in foreign countries. A privilege was granted in the same year for the establishment of a silk manufactory. The importation of foreign silk was prohibited. Several chemical works were also established in 1717.

In 1718 Peter the Great visited the manufactories of Moscow, and granted a subsidy of 5,000 rubles, together with some land, for the erection of a cloth-mill. A ribbon and gold-lace factory was opened at St. Petersburg in the same year. Foreign ribbon makers had arrived at St. Petersburg some years previously, and they been engaged in instructing Russian subjects in the art. The Emperor devoted much attention to the manufacture of paper-hangings, and engaged Parisian workmen for the purpose.

In 1718 Peter the Great engaged a master linen-weaver at Amsterdam, and sent him to the linen works established in the province of Kaluga, offering to pay his wages out of his own pocket if the owners of the works were unable to bear the expense. In his solicitude for the manufacture of cloth he caused shepherds to come from abroad, and gave all the cloth-mills in Moscow to a company, to which he advanced 30,000 rubles without interest for three years; forbidding, at the same time, the exportation of wool, and ordering all the cloth produced at the associated mills for the first three years to be purchased for the Government, after which the company was permitted to sell their produce for five years without the payment of any duty. Extensive personal privileges were granted to the manufacturers.

In 1720 the Government linen-mill at Moscow was given over to a foreigner, who was made director of it, with the obligation of increasing the works to 500 looms, and working table-cloths and other linens of a quality not inferior to similar foreign manufactures.

Many other manufactories sprang up in 1721. The Emperor personally founded a tannery worked on the English system. The sugar-works at St. Petersburg were extended, and the importation of foreign refined sugar was interdicted.

In order to stimulate still further the establishment of manufactories, the Emperor on the 1st February, 1723, permitted "factories and works and merchants, as well as the gentry, to purchase peasants." A college of manufactures, charged with the care and promotion of native industry, was at the same time established; and a Tariff issued in 1724 imposed a heavy duty on "all such goods of which the like were produced in Russia."

The manufactories established by Peter the Great had increased three-fold towards the end of the reign of Catherine II (1796). (*Vide* Table.)

The process of extracting sugar from beetroot was first introduced in 1802, by Major-General Blankennagel, who obtained for that purpose a loan of 50,000 rubles from the Government.

In 1811 the manufactories then existing in Russia were visited by a Government Inspector, who reported very favourably on the cloths woven at Moscow on looms worked with horse-power. The linen manufactories of Jaroslaf and Kostroma had made great progress. At the fair of Nijni the Inspector found but few foreign prints, cloths, silks, or linens. The Russian manufactures had almost the exclusive possession of the market. The hardware shops were full of iron and steel goods produced by the peasants of the village of Pavlova. Kazan had by this time become an important centre of industry. Most of the tanneries and soap-works were situated in that province. The glass and crystal works in the province of Simbirsk were in a flourishing condition. The manufacture of cloths had been much improved by the importation of Spanish and Silesian sheep.

The erection of cotton-mills by private enterprize (the Government having hitherto been the only manufacturer of cotton) began about the year 1823, when Privy Councillor Rakhmanoff set up a mill, and personally superintended its working. By the year 1830 he was able to produce annually 65 tons of cotton twist of the lower and medium numbers. Several other mills were soon after established.

In order to develope the manufacture of cotton more rapidly, the Government adopted a variety of measures. An Academy of Commerce was founded at Moscow. Count Stroganoff established a school of drawing and design, which had considerable influence on the development of native industry.* His example was followed by Prince Lvof and by a large manufacturer of cotton prints.

Previously to the year 1830 about 435 tons of cotton yarn, dyed red, had been annually imported into Russia, but by the year 1835 the chemical works in the neighbourhood of Moscow were able to dye (Turkey red) about 290 tons of twist. Franz Rabeneck, a dyer of Elberfeldt, who had supplied Russia with dyed yarn to the extent of 50 tons annually, established his works at Moscow, on the strength of a privilege of ten years, and an immunity from guild dues.

In 1830 a new Dutch method of boiling down tallow was introduced into Russia.

Between the years 1829 and 1835 Russian manufacturing industry made rapid

* This school still exists, and under the able direction of Mr. Butovski, a great admirer of Byzantine art, produces a considerable number of designers, who find ready employment in Moscow. The specimens of ornamentation taken from early Russo-Byzantine MSS. and frescoes (from the eleventh century), exhibited by the pupils of the Stroganoff School at the Moscow Exhibition, 1865, were of a very interesting and elegant description. Some plaster of Paris casts of carved pillars in the same style, together with a fac-simile of the doors of an altar screen, taken from an ancient church at Suzdal, were likewise exhibited by this school, and attracted much notice.

strides, the number of establishments having increased by about one-third, while the price of the manufactures was reduced 30 per cent. Cloth was 20 per cent. cheaper in 1835 than in 1829. In 1830 the quantity of cotton yarn produced was 800 tons; in 1835 it was 1,800 tons. The yarn of one mill sold only 2 per cent. below the price of English yarn.

The manufacture of agricultural machinery was likewise increasing; M. Butenof alone producing more than 2,000 machines in two years and two months.

The weaving and printing of cottons was undertaken on a very large scale in the Province of Vladimir, on account of the cheapness of fuel and labour compared with Moscow. In 1830 the weavers of that province produced 400,000 pieces of calico; in 1835, the production had increased to 600,000. In the former year the works only had three cylinders; in 1835 they could boast of twelve, working day and night.

Cloth soon found an extensive market in China. Out of 24,000 pieces exported in 1835, only 4,000 were the produce of looms in Poland.

Much improvement was made in the manufacture of silk, and particularly in the production of mixed fabrics of silk with wool, and also in the manufacture of shawls, which are said to have vied with those of France. The quantity of raw silk worked up was 485 tons, of which two-thirds was Russian.

Machinery for spinning flax was imported from England about the year 1833 by a manufacturer (Elizaroff) at Viazma, in the province of Vladimir. M. Elizaroff reported to the Board of Manufactures that although the cost of the labour in producing the finer qualities of linen was equal to the value of the material, owing to the workmen being unaccustomed to this machinery, yet that, relying on the extraordinary adaptibility of the Russian artizan, he would very soon produce linens equal to those of foreign looms.

The measures adopted by the Imperial Government for the purpose of promoting manufacturing industry are noticed elsewhere.*

The accompanying Tables show the growth of manufacturing industry in Russia, as evidenced in the increase of the number of manufactories and workmen.

The figures have been extracted from official Returns made by the Governors-General of Provinces to the Board of Trade and Manufactures at St. Petersburg, but they cannot lay claim to positive accuracy.

TABLE showing the number of Workmen employed in Russian Manufactories.

Manufacture of	1820.	1830.	1856.	1860.	1863.
Wool, tissues of (cloth, woollens, carpets) ..	52,703	67,241	112,227†	120,025†	92,867
Silk, „	9,304	13,452	17,531	14,287	8,946
Cotton, „	36,071	76,228	109,745	119,372	58,378
Flax and hemp, tissues of	22,653	26,845	15,085	17,284	18,601
Dye and print works	305	1,214	24,649	31,658	22,703
Chemicals	114	790	2,505	3,440	5,263
Glass and crystal	14,416	6,616	10,069	11,464	10,293
Porcelain	1,516	1,274	2,219	2,629	2,649
Cordage, &c.	2,620	2,780	4,368	5,385	3,096
Leather, tanners, curriers, &c.	8,591	10,547	10,787	12,384	14,817
Soap	952	653	1,[illegible]98	1,276	1,314
Tallow	2,098	4,398	4,330	8,546	4,717
Candles, tallow	734	1,031	1,927		1,999
„ stearine	..	..	1,604	1,238	1,761
„ wax	133	170	837	1,062	1,076
Sugar	1,117	1,687	55,785	64,763	1,098‡
Tobacco	144	306	5,209	6,059	..
Potash	1,404	1,533	1,017	1,531	1,303
Paper (including paper hangings)	8,096	10,180	12,753	12,804	11,339
Iron (cast, forged, steel)	12,917	19,889	40,816	36,922	37,327
Machinery, engines	..	..	6,604	11,600	14,690
Copper	1,138	3,103	13,054	8,504	8,625
Other manufactures	2,670	3,956	39,385	47,213	40,745
Total	,696	253,893	493,704	539,446	363,607

* For a retrospect of the Customs legislation of Russia, *vide* the Memorandum of the German Commercial Congress.

† These figures include woollens, hosiery, carpets, &c.

‡ Sugar refineries alone shown; previous figures include labourers employed in growing and preparing beet-root for sugar boiling.

TABLE showing the Increase of the Number of Manufactories in Russia from the Reign of Peter the Great to the present time.

Nature of Manufactures.	Period from Peter the Great to Catharine II —to 1762.	From 1762 to 1796.	1818.	1820.	1830.	1849.	1856.	1860.	1863.
Wool, tissues of (cloth, woollens, carpets, &c.)	125	181	278	304	389	701	513	651	641
Silk, tissues of	150	393	210	159	213	361	332	393	325
Cotton, tissues of	58	99	453	440	538	541	464	697	424
Flax and hemp, tissues of	135	41	218	214	190	156	91	117	159
Dye and print works	29	161	27	52	91	265	339	399	348
Chemicals	15	25	16	18	55	123	90	135	262
Glass and crystal	43	142	152	152	172	191	177	195	207
Porcelain	15	20	27	28	40	44	35	55	42
Cordage	25	60	98	95	108	158	174	166	92
Leather—tanners, curriers, &c. ..	25	84	1,699	1,726	1,619	1,863	1,983	2,279	2,762
Candles, tallow, &c..	..	..	200	211	254	484	51	1,268	1,254
Sugar (refiners and boilers of beet-root)	8	20	29	38	57	250	387	467	7
Tobacco	10	15	28	24	61	271	276	343	..
Potash	25	100	141	122	185	142	145	263	214
Paper	..	72	93	87	104	159	161	207	179
Iron, cast, forged, and steel ..	8	33	..	..	..	..	391	353	359
Copper	10	43	71	79	113	..	133	161	170
Pins and needles	10	20	..	..	..	..	4	..	4
Buttons	10	15	..	..	..	4	6	..	9
Carriage makers	18	20	..	..	..	17	54	92	102
Hatters	3	90	35	77	87	83	32	18	17
Divers	206	1,495	682	741	1,174	3,359	4,826	5,876	5,524
Total	928	3,129	4,457	4,567	5,450	9,172	10,664	14,135	13,101

Appendix (D).

Memorandum on the Manufacture of Cotton in Russia.*

(Compiled from Russian Official Sources, and amplified by T. Michell.)

1. History of the Manufacture.
2. Seats of Cotton Industry.
3. Cotton Printing.
4. Consumption and Exportation of Cotton.
5. Cotton Supply.
6. Colours and Chemicals used in Cotton Printing.
7. Prices of Russian Cottons.

1. *History of the Manufacture.*

OFFICIAL documents attest that between 1814 and 1824 about 3,270 tons of cotton yarn were annually imported and used in the weaving of common cotton in the villages of the central provinces of Russia. Cotton-weaving was extensively pursued during the months of winter by the agricultural population of those provinces at a very moderate remuneration.

The processes of bleaching, dyeing, and printing cotton tissues were then carried on in small establishments. The first efforts at cotton-printing were made at the village of Ivanovo, in the Province of Valdimir, now one of the seats of that branch of industry. At the latter part of the eighteenth century the inhabitants of Ivanovo had commenced, under the tuition of German masters, to produce coarse printed linens and chintzes on a few looms put in their cottages.

A spinning mill was established in 1805, but the profits were not sufficient to attract much private capital, which was then not very willingly invested in manufacturing enterprises. The Tariff of 1822, which enacted highly protective and partly prohibitive duties on foreign manufactures, directed the attention of capitalists to machine spinning. The two first spinning mills established by private persons were set up in 1824, one at St. Petersburg, the other at Moscow. The former was destroyed by fire in 1827, but the second soon became the model of all the other cotton mills subsequently set up in Moscow and the neighbourhood. The "Russian Cotton Mill," established in 1835, proved eminently successful.

During the first fifteen years of their existence, the Russian mills had to struggle with considerable difficulties, both owing to the novelty of the manufacture, and to the prohibition which then existed in England against the exportation of cotton-spinning machinery. The owners were obliged to have recourse to French and Belgian engineers, who supplied machinery of very inferior construction, while the engineers sent to put it up were seldom skilled in their art. At the same time, the cotton-spinners who came from England handled the foreign machinery but badly, which led to many unpleasant altercations between them and the proprietors of the manufactories.

The attempts to make machinery in Russia met with no success. All these disadvantageous conditions were removed in 1842, when the British Government resolved to permit the free exportation of all machinery. This important change was preceded by another which had great influence on the profits derived from cotton-spinning. In 1841 the duty on imported twist was raised from 41*s.* 6*d.* to 53*s.* 10*d.* per cwt., at the request of the home cotton-spinners. Such a high duty, which enhanced the price of the manufacture by 50 or 60 per cent., could not but attract fresh capital to cotton-spinning, and give it a further impetus.

* For more ample details, *vide* Mr. J. S. Lumley's Report on the Cotton Trade: Reports of Secretaries of Embassies and Legations, 1865.

At the Industrial Exhibition held at Moscow in 1843, there were eighteen representatives of cotton mills, of forty then at work; at the Exhibition in 1849 at St. Petersburg, the number represented was twenty-six. In 1843 the number of spindles was 350,000, and in 1849 it had increased to 600,000. The quantity of yarn thus produced averaged 1 pud (36 lbs.) per spindle. Between 1840 and 1850 the number of cotton mills continued to increase; nor was that increase at all checked by the abolition of the additional duty of 12*s*. per cwt. (1 ruble 50 copecks) 1850; on the contrary, the activity of the Russian mills grew in a still greater proportion, as will be evident from the following Table of the importation into Russia of American and Asiatic cotton and foreign yarn:—

	Cotton.	Yarn.		Cotton.	Yarn.
	Tons.	Tons.		Tons.	Tons.
1824–33, average .	1,600	3,200	1848–50, average .	21,375	4,500
1833–43 „ .	5,300	9,160	1851 .	23,465	1,930
1844 .	9,480	9,600	1852 .	23,665	1,760
1845–47 „ .	12,535	8,000			

These figures show that during the first twenty years after the Tariff of 1822, the importation of foreign yarn continually increased, and exceeded the importation of the raw material. In 1844 cotton-wool and yarn were imported in almost equal quantities; after that the importation of raw cotton grew considerably until in 1852 it exceeded sixteen times that of cotton yarn. At the Industrial Exhibition of 1853 the number of spindles at work was estimated at 1,000,000, and their production at 19,283 tons, or about 43 lbs. per spindle.

Such a rapid development of cotton-spinning had a very decided influence on its further manufacture. The looms were gradually carried out of the small huts of the peasantry, and set up in special buildings or barns, where ten, twenty, or even more looms were worked by peasant families, assisted by hired labourers. The looms were improved, and the general adoption of the flying shuttle contributed not a little to the increase of production. Weaving factories began to be established in greater numbers in towns, which, while preparing the warp for common cottons still worn by the peasants in the neighbouring villages, retained also in special workshops the production of the finer qualities, such as calicoes, ginghams, muslins, &c., &c.

Power looms similar to those established in 1808 by the Government at Alexandrofski were introduced into private mills, first at Moscow, then at St. Petersburg. This number increased rapidly until in 1860 they numbered 10,000, and in 1864 16,141.

The development of cotton-spinning in Russia created an entire revolution in the bleaching, dyeing, and printing industries. They were soon concentrated in factories which improved in the same ratio as the cotton mills. Setting aside the earlier unsuccessful attempts made at St. Petersburg, in the early part of the present century, it may be said that the first real printing works, furnished with all the mechanical and chemical appliances at that time known, were established soon after the year 1830 by Titoff, a merchant of Moscow. Sparing no expense, he engaged, at a very large salary, the services of Schwartz, a celebrated dyer of Mühlhausen. Having established printing works equal to the best of those in Alsace, and taught the workmen the newest processes, Schwartz continually kept the factory supplied with all contemporary improvements. The name of Steinbach, another printer, is also intimately connected with the progress of cotton-printing in Russia. It was at his works (now Zündel's) that the process of uninterrupted bleaching was applied. To these names must be added that of Rabéneck (whose works still exist), a native of Elberfeldt, who brought over to Russia the art of dyeing cotton yarn Turkey red in a durable manner.

Titoff at Moscow was equalled by Bitepage and Lütsch at St. Petersburg; the latter established the first printing works in the northern capital. Printing in Russia is intimately connected with weaving as well as with bleaching. The greater part of the manufacturers of Moscow and Valdimir print their own cottons, produced in villages to their own order and out of their own yarn, causing villages of several thousand hands to be employed by one manufactory. In 1860 there was only one manufacturer at Ivanovo who carried on at the same mill this process of spinning, weaving, and printing, as in the original mills of Alsace.

By the year 1853 cotton-spinning in Russia had attained considerable dimensions; the quantity of home-spun yarn being about 19,500 tons and the importation

of foreign yarn about 1,600 tons. The Crimean war did not affect its prosperity; the failing in the supply of American cotton was partly made good by an abundance of cotton from Bokhara; nor did the weaving and printing establishments reduce their production to any very great extent. But at the conclusion of peace a severe trial, as the protectionists thought, awaited the cotton industry of Russia. The manufacturers became alarmed at the changes impending in the Tariff of 1857. Those changes, according to the home producers, were to have been, if not a death-blow to Russian industry, at all events the ruin of many factories and the means of deluging the market with foreign goods. The greater part of Russian manufacturers of cotton entertained those fears, and protested against any reduction of the import duties. The new Tariff was nevertheless enacted, and "*although it lowered the duty on foreign yarn to* 28*s.* 11*d. per cwt. from* 41*s.* 5*d., and reduced the charge on cotton tissues by* 20 *to* 80 *per cent., the production of the factories in Russia was not thereby arrested; on the contrary, the reduction had the most beneficial effect on many of the mills, for it showed them the necessity of improving the quality of their goods, in order to meet the demands of consumers. This may be said more especially of those cotton mills whose proprietors protested most strongly against the reduction of the duties.*"*

Three years after this reduction of the duty on cottons, and before the breaking out of the American war, the importation of raw cotton was greater than ever, as will be seen from the following Table for 1864:—

	Raw Cotton.	Yarn.		Raw Cotton.	Yarn.
	Tons.	Tons.		Tons.	Tons.
Between 1853 and 1854, average .	25,700	1,200	In 1860	42,000	2,100
1855 and 1857 „ .	21,000	1,400	1863	9,400	870
In 1858	39,300	4,300	1864, about ..	17,000	1,360
1859	45,000	2,250			

It will be seen that the average importation of raw American cotton between 1858 and 1860, prior to the American war, exceeded 42,000 tons per annum, or about the eighteenth part of the total amount of cotton then produced by the United States; but in order to be secure against error in our calculations, it will be best to reduce the average importation of American cotton to about 38,500 tons. To this quantity must also be added the 3,500 tons of raw cotton which Russia imported annually during the same period from Central Asia, Persia, and the trans-Caucasian regions; raising the total consumption of raw cotton in Russia, before the recent cotton crisis, to about 43,000 tons per annum. The number of spindles at that time at work in the 60 cotton mills of Russia was 1,500,000, but the total number, including the mills of Poland and Finland, was about 1,600,000. This placed Russia fifth on the list of countries where cotton-spinning is pursued, viz., after Great Britain, the United States, France, and the Zollverein.

The 38,500 tons of American cotton imported annually into Russia would represent, at about 53 lbs. per spindle, nearly 35,400 tons of yarn of the ordinary number, spun in Russia, which again converted into tissues dyed, printed, and bleached, at 14*l.* 10*s.* per ton, would represent the sum of 10,266,000*l.* If to this be added the value of the cotton fabrics woven out of the 1,600 tons of foreign yarn, valued roughly at 666,000*l.*, the cotton industry of Russia represented, in 1860, the sum of about 11,250,000*l.* sterling. With the productions, however, of Poland and Finland, the grand total may be estimated at 11,500,000*l.* to 12,000,000*l.* sterling.

This total includes—

	£
I. Cost of the raw material—	
a. 38,500 tons American cotton.	
b. 3,200 tons of Asiatic cotton	2,366,000†
II. Cost of foreign yarn, 1,600 tons	233,000
III. Cost of dyeing and printing 23,500 tons	934,000
IV. About 4 per cent. on the cost of the total manufacture, &c.	467,000
	4,000,000

* The Report from which the greater portion of these observations is taken was prepared for the Russian Government by M. Scheerer, in 1863. As it only brings the history and statistics of the cotton industry down to 1860, the information has been supplemented by data from more recent official Returns.—T. M.

† All these calculations are based on the price of cotton before the civil war.

M. Scheerer makes the following estimate of the importance of the cotton industry of Russia in 1860, by comparing it with other branches of textile manufacture :—

	Value of Production.
	£
1. Flax and hemp industry	18,000,000
2. Woollen ditto	7,334,000
3. Silk ditto	2,400,000
4. Cotton ditto	11,466,000
	39,200,000

The cotton industry is here shown as next in importance to the spinning and weaving of flax and hemp, the greater part of which is not carried on in factories, like cotton-spinning.

More recent official Returns give the following figures :—

	1859.	1863.		1859.	1863.
Cotton spinning mills	57	35	Workmen—		
Weaving mills	659	388	At spinning mills	40,000	21,711
Bleaching, dye, and print works ..	320	346	Weaving mills	175,000	36,407
			Bleaching, dye, & print works	35,000	23,000
				250,000	81,118

In addition to the 250,000 workmen employed in cotton factories and works connected with the industry, 750,000 of both sexes were supposed to be employed in 1859 in the villages, making a total of 1,000,000 pair of hands, or the seventieth part of the population of Russia engaged in spinning, weaving, and printing of cotton.

The effect of the American war is strikingly apparent in the statistics for 1863. Mr. J. S. Lumley's "Report on the Trade and Manufacture of Cotton in Russia" gives a list of 59 spinning-mills existing in 1863, of which many had either ceased or were about to cease working. The official figures for 1863 probably only take account of the mills in operation. By July 1865 many mills had resumed work, and there were only about 20 in Mr. Lumley's list that had entirely stopped, while three others had been burned down, leaving a total of about 35 spinning-mills in operation in the autumn of this year.

"It cannot, however, be said, if we look at the subject from a Russian point of view," observes M. Andréef, in a note to M. Scheerer's Report, "that Russia has suffered much by the American war, for the natural products of the country—flax and wool—found a better market both at home and abroad. The gain would have been still greater had the cotton industry been less fostered by protection. Only about one-third of the total number of spindles in the cotton-mills of Russia were at work in 1863, leaving two-thirds of the immense amount of capital invested in that branch of industry unproductive. This loss exceeds, perhaps, our gain, from the increased demand for flax and wool; the more so, since we were not prepared for the crisis, and were not in a position to avail ourselves of the advantages which presented themselves. We have long been in the habit of withdrawing our capital from agriculture, and the dearness of our products of husbandry has compelled foreign merchants to seek them in other markets. Let us hope that the cotton crisis will be a lesson to us by which we shall profit."

The American war has created one important revolution in the condition of the cotton industry of Russia, viz., it has had the effect of driving the small manufacturers out of the market. The greater part of the small mills fitted with old machinery have been closed, and the manufacture is being more and more concentrated in the hands of companies and large capitalists. These have been increasing their power of production by steam, while the others have been failing. The following are some of the cases in which additions have been made to mills between January 1863 and July 1865 :—

	No. of Spindles in Mr. Lumley's Report, 1863.	No. in 1865.
Cotton Spinning Company, at Glencoe, near Moscow	18,796	23,000
Hampson's Mill	13,940	17,000
N. Kanshin and Sons	15,072	20,000
A. Karetnikoff and Sons	14,904	20,000
Andréefsky Mill	21,454	32,000
Malutin and Co.	22,648	31,000
Narski Mill	35,560	40,000
Krenholm Mill	114,464	500,000
	256,838	683,000
Increase	426,162 spindles.	
Added to which, two new mills were started in 1864, with	30,500* „	
Increase	456,662 „	

Although the American war may be said to have promoted this result, viz., that of ruining the small mill-owners, it is nevertheless to the Emancipation Act that the original cause of their decline is to be attributed. Most of the small mills now abandoned had been established by landed proprietors on their own estates, frequently in their own mansions, with utter disregard of local facilities for transport, fuel, and perhaps water. They were frequently, also, at most inconvenient distances from the weaving centres. But the serfs worked the machinery, and carried the yarn hundreds of miles, at very little cost to the proprietors, to whom a high tariff secured a most profitable return. The freeing of the serf population gave the first blow to a system so lucrative to the landed proprietors, and they were naturally placed under great disadvantage compared with the large, regularly built and conducted establishments, worked with abundant capital. These alone had been able to lay in large stocks of cotton, while the landed proprietors had only been in the habit of getting it "from hand to mouth." It is, therefore, not a matter of surprise that the landed proprietors should have entirely given up their *dilettanti* industries, and left them in the hands of Companies and large merchants. Many of the mills endeavoured to make up for the loss of American cotton by spinning yarn from Asiatic cotton (Bukhara, Persia, and Trans-Caucasia), of which the importation was doubled between 1860 and 1863:—

		Tons.
1860.	Raw cotton imported	3,620
1863.	„ „	7,290

The importation of American cotton had decreased during the same period from 42,000 to 9,500 tons.

* The increase would probably have been much greater than it is, were it not for the apprehension of a reduction of the duties on cotton goods.

It is a curious fact, and one which must also greatly prevent a speculative tendency, that most of the cotton-mills in Russia have been started by a single firm at Moscow—a firm that orders the machinery, buys the raw material, engages the overlookers, managers, &c. (stipulating that they shall be Englishmen), and, generally, exercises a control over the cotton-mills of a paternal kind. Hence, nearly all the spinning machinery is from the works of Platt, Brothers, of Oldham, the correspondents of the firm, which, holding as it does a monopoly of the cotton trade, is interested in supporting the prosperity of mills already in operation, rather than in establishing new ones, which would increase competition. The influence of such a firm over mill-owners, who are probably very heavy creditors, must be strong indeed. Two other houses transact the same kind of business, but on a much smaller scale.

The Englishmen introduced into Russia by these firms are paid very high wages, and generally retire with considerable savings. There are about 150 of them employed in the neighbourhood of Moscow alone, in spinning and weaving cotton. Of these 30 are managers, 30 mechanics, and 90 spinners; 10 more mechanics were out of work in July 1865. The average rate of the wages of the managers is 800*l.*; some receive 2,000*l.* per annum, and the lowest salary is about 550*l.* The mechanic's wages average 300*l.*, while the spinners and carders receive about 250*l.* a-year. In addition to these high salaries they have furnished houses rent free, kitchen utensils, fuel, and, frequently, candles. There is an English manager, near Moscow, who receives 15,000 roubles (2,000*l.*), besides board for himself and family, wine, cigars, horses, carriages, and, in fact, everything that he can possibly require. Two or three years since there were instances of managers receiving 2,500*l.*, and even 3,500*l.*, in addition to house-rent, fuel, &c.

The prejudicial effect of the working of the protective system is here very apparent. One monopoly begets another. One firm controls the cotton supply and the setting up of mills; some thirty-five rich merchants and great companies share the profits of supplying 70,000,000 with Russian cottons; 150 Englishmen in Moscow, and about as many again in the provinces of the Empire, receive exorbitant wages at the expense of the manufacturer; while the Polish Jews on the land frontier may be said to hold a monopoly for the introduction of foreign cottons.—T. M.

[The cotton famine has produced the same effect on the weavers as on the spinners of cotton, and has, moreover, shown the advantage of employing machinery where hand-looms were once largely used. The small weavers, like the spinners, are being absorbed by large establishments well fitted with power looms, and the villages which were once so extensively employed during the months of winter in producing calico are rapidly being given up by the great manufacturers. Some of these have employed as many as 20,000 cottagers outside their factories. The yarn given to the peasant to spin was generally returned in a manufactured state within periods of not less than six to eight months, causing, of course, a corresponding loss of interest on the outstanding capital. At the same time, the calico they produced was inferior in quality to power-loom calico, and sold at about 1*d.* per yard lower. Moreover, the rustic manufacturers have always been given to dishonest practices, and the work done required the strictest supervision. Thus, in the case of spinning. the peasants would return the yarn in the spools or bobbins wetted at the extremities to make them heavier. These, and many other drawbacks, are causing hand-weaving to be superseded by power-looms, which are now being set up very extensively by all the principal manufacturers in Russia.

It may be here observed that this is one of the most important facts in connection with the manufacturing industry of Russia. The natural displacement of rustic industrial labour by machinery destroys one of the strongest arguments that have ever been urged by protectionists, viz., the necessity of providing the peasantry with work during the unoccupied months of winter.

Rustic manufacture is not consistent with improvement and prosperity. The labour freed will find ready employment elsewhere, even in winter, in a country where the population is at such a vast disproportion to its area.—T. M.]

2. *Seats of Cotton Industry.*

The statistics already given indicate the position which cotton industry holds in Russia. Its development is no doubt chiefly due to the high Tariff, but several other causes have combined to make it a favourite branch of manufacture. Firstly, the quality of cotton is less variable than flax or hemp, and it has not to undergo any preliminary process before it is spun. Flax and hemp have, on the contrary, to be moistened, pressed, and combed, and on the manner in which these processes are effected the quality of the material greatly depends. The cotton manufacture is evidently at a great advantage in this respect. Secondly, the machinery for spinning hemp, and more particularly flax, has not been brought to the same perfection as that for spinning cotton. It is more complicated and expensive than the latter, and requires greater skill in the workman. Thirdly, in the abnormal state of Russian manufacturing industry raw cotton is more easily supplied than flax or hemp. The supply of the former is in the hands of large firms, while the latter has to be bought from the peasantry in an ill-sorted state, and, moreover, paid for in cash, while the cotton is supplied on credit. Further, although the work of a flax mill is coarser than that of a cotton manufactory, the Russian workmen prefer the latter as it is cleaner. In fact, the spinning of flax has been neglected, while the production of cotton has been fostered.

Cotton-spinning is principally pursued in the provinces of St. Petersburg, Moscow, and Vladimir. It is confined very generally to the production of low and middling numbers. The low numbers, or those under twenty, are spun out of Asiatic cotton; the middling numbers are twenties and thirties, and these form the great bulk of the numbers produced. Forties are considered high numbers in Russia, and few mills go beyond. The principal demand ranges between Nos. 16 and 48, and these numbers are, moreover, favoured by the specific Tariff rates. Higher numbers are only spun for exhibition purposes, and cannot therefore pay. The spinning of the warp being less difficult, and being accomplished in less time, prevails considerably over the production of warp yarn. The spinning of the latter is, however, much on the increase. Before the American war the yarn spun in Russia was appropriated as follows :—

	Yarn.
Printed shirtings	22,300
Nankeens, fustians, and Turkey-red goods	3,200
Plush	1,600
Other cottons and mixed goods	8,200
Tons	35,300

The Russian spinning mills supply all the home weavers with low and middling quality yarns, while the better qualities of calico, jacquonet, and muslins are made of foreign yarn (about 1,600 tons).

In 1860 there were about thirty manufacturers of wadding, using mostly the refuse of the cotton mills.

The weaving of common cotton fabrics, such as shirtings, nankeen, fustians, handkerchiefs, destined to be dyed or printed, has hitherto been almost entirely in the hands of the population of certain villages, working for manufacturers in towns. The art has long predominated in the central most thickly populated provinces of the Empire, viz., in Moscow, Vladimir, Tver, Kostroma, and Kaluga. The province of St. Petersburg has only taken an active part in the manufacture of cotton since 1840, *i.e.*, when power looms were first introduced.

The hand-weaving of cotton tissues, not destined to be printed, of white and coloured cottons for dresses, handkerchiefs, trouserings, dressing-gowns, &c., is centred in the towns in establishments which are frequently furnished with several hand-looms, and of which the proprietors often give employment to the neighbouring villages.

Muslins and fine cottons are exclusively produced in well-fitted factories, chiefly situated in the provinces of Moscow and St. Petersburg.

Cotton velvet is an important item in this branch of industry, Russia having within the last few years supplied China with that article to the extent of 2,000,000 or 3,000,000 yards per annum.

Cotton-weaving made the following progress in Russia between the years 1852 and 1859:—

	No. of Factories.	Production.	Workmen.
		£	
1859	659	2,900,000	98,400
1852	440	1,900,000	81,400
Increase in seven years ..	219	1,000,000	17,000

More recent statistics have been influenced by the cotton famine, as well as by the tendency to concentrate the processes of spinning and weaving cotton in large mills. The figures for 1863 are thus officially given:—

Number of weaving-mills	388
Number of workmen	36,407
Production	£1,200,000

If the foregoing statistics are to be thoroughly relied on, it would appear that, although there was such a great falling-off in the number of mills and workmen, and in the amount produced by those remaining, there was, nevertheless, an increase in the productiveness of human labour amounting to 16*l.* 10*s.* per head, and which may easily be attributed to the introduction of improved processes and machinery.

The official statistics of all the branches of cotton manufacture taken together —spinning, weaving, printing, and dyeing—give a very similar result:—

	No. of Factories.	Workmen.	Production.	Per Head.
			£	£
1856	854	134,000	6,500,000	48½
1860	1,153	150,000	9,500,000	63¼
At Exhibition, 1865	70	99,000	7,500,000	76

The saving of human labour in the manufacture of cotton would thus appear to have been about 51 per cent. in ten years, or about 5 per cent. per annum. The average increase in productiveness of labour in all branches of industry in Russia between 1856 and 1860 was 7¼ per cent. per annum, or about ½ per cent. below that in the manufacture of cotton during the same period.

3. *Cotton Printing.*

It has already been stated that cotton-printing in Russia owes its origin, principally, to the Tariff of 1822, and that it prevails in the Provinces of Vladimir, Moscow, and St. Petersburg.

The tissues produced in each of those ocalities differ in character, viz.: the printing works at St. Petersburg manufacture almost exclusively for the wealthy

classes. Vladimir produces cheaper, more common fabrics for the lower classes, while Moscow produces all these descriptions. There is, consequently, a great difference in the price of cotton prints, ranging (in 1860) from 2¾*d.* per yard to 2*s.* and 2*s.* 6*d.* per yard. (*Vide* prices at Exhibition, 1865.)

The print-works give employment to a considerable number of workmen in the villages. Thus three of the principal cotton-printers in Moscow have employed 2,500 workmen in their factories, and at the same time given work to 12,000 outsiders.

There is a large manufactory at Vladimir (Gorelin), which employs 1,500 men in-doors, and about 3,000 outside.

The present condition of cotton-printing will be best seen from the Report on the patterns brought from the Exhibition of 1865.*

The total number of print-works in Russia in the year 1859 was 352, employing 26,000 labourers, who produced cotton-prints of the value of 2,585,000*l.*, or nearly 100*l.* per head. But about one-seventh should be deducted from these figures for the establishments which print woollen, silk, and flax or hemp goods; and adding to the result a small number of independent cotton-bleaching works, the following figures will represent with greater accuracy the condition of cotton-dyeing and printing in Russia in 1859 :—

Number of Works	320
Production	£2,230,000
Number of Workmen	23,000

Of the above works, 100 were situated in the Province of Moscow, 80 in that of Vladimir, and 13 at St. Petersburg. The remainder were spread over the whole Empire.

In 1863 the number of dye and cotton-print works is officially reported at 344; the number of workmen, 22,700; and the production 2,825,000*l.*, or about 125*l.* per man.

4. *Consumption and Exportation of Cottons.*

The great bulk of the cotton tissues produced in Russian manufactories are consumed in the interior of the Empire.

The principal sales take place at the great fairs of Nijni-Novgorod and Irbit. The lower classes use Russian cotton exclusively, and it is only the rich that purchase the more expensive cottons imported. The exportation of Russian cottons is limited to countries in Asia, the greater part being sent over the Orenburg and Siberian lines of frontier.

China, before the American crisis, was a purchaser of about 150,000*l.* worth of Russian plush, nankeen, and prints, but the item was reduced to about 100,000*l.* in 1863.

In 1864 there was an exportation of Russian cottons into Prussia to the extent of 5,000*l.*

The importation of cottons into Russia from Europe and Asia is, on the other hand, far in excess of the exportation, as will be seen from the following figures :—

	Importation.	Exportation.	Excess of Importation.		Importation.	Exportation.	Excess of Importation.
	Rubles.	Rubles.	Rubles.		Rubles.	Rubles.	Rubles.
1824–26 Average	3,080,000	600,000	2,430,000	1851–53 Average	4,400,000	2,500,000	1,900,000
1827–29 „	3,600,000	1,220,000	2,380,000	1854–56 „	3,900,000	2,600,000	1,300,000
1830–32 „	2,850,000	1,260,000	1,790,000	1857 . ..	7,200,000	3,300,000	3,900,000
1833–35 „	2,800,000	1,180,000	1,620,000	1858 . ..	7,100,000	3,400,000	3,700,000
1836–38 „	3,700,000	1,220,000	2,480,000	1859 . ..	8,500,000	3,900,000	4,600,000
1839–41 „	4,260,000	1,500,000	2,760,000	1860 . ..	7,243,000	3,923,000	3,320,000
1842–44 „	3,800,000	2,000,000	1,300,000	1861 . ..	7,559,000	4,444,000	3,115,000
1845–47 „	3,600,000	2,230,000	1,370,000	1862 . ..	5,622,000	4,244,000	1,378,000
1848–50 „	3,860,000	2,370,000	1,490,000	1863 . ..	4,334,000	3,064,000	1,270,000

The tendency to an increase of importation after the Tariff of 1857 was only checked by the American war; but in order to ascertain to what figure the importation of European cottons is likely to return now that the cotton trade is in a more normal condition, it will be necessary to distinguish between the importation of cottons from Europe and that from Asia. The following Table gives the relative value of those mportations :—

* Vide Table, "Comparison of British and Russian Cottons."

	Europe.	Asia.		Europe.	Asia.
	Rubles.	Rubles.		Rubles.	Rubles.
1824–29 Average .	2,000,000	1,300,000	1858	4,300,000	2,800,000
1830–35 „ .	1,960,000	1,350,000	1859	5,570,000	2,900,000
1836–41 „ .	1,500,000	2,450,000	1860	4,273,000	2,970,000
1842–47 „ .	1,170,000	2,500,000	1861	4,415,000	3,144,000
1848–53 „ .	1,500,000	2,500,000	1862	2,799,000	2,824,000
1854–56 „ .	1,850,000	2,100,000	1863	1,696,000	2,638,000
1857	4,700,000	2,550,000	1864	2,031,000	Unknown.

The importation of foreign cottons was thus nearly trebled by the reduction of the duties in 1857, and it reached the highest point in 1859, when it was officially estimated at about 743,000*l.*, of which 274,000*l.* was from Great Britain. In 1864 there was a partial recovery, the total importation of cotton having amounted to 271,000*l.*, of which 76,000*l.* fell to the share of England.

The share of Great Britain in the supplying of cottons was 36 per cent. in 1859, but in 1864 it had been reduced to 28 per cent., owing, no doubt, to the influence of smuggling on the western land frontier of Russia.

The consumption of cotton in Russia Proper (not including Poland and Finland), was estimated in 1859 at 1·56 lb. Russian, or about 1¼ lb. avoirdupois per head. The consumption of cotton in Great Britain at the same time was about eight times greater.

5. *Cotton Supply.*

The greater part of the cotton imported into Russia by way of St. Petersburg comes from Liverpool, very few cargoes being imported direct from the United States. Russian cotton-spinners give the preference to Upland cotton, which is better adapted for the spinning of low and middling numbers. The prices of cotton are naturally regulated by those of Liverpool. Before the American war they ruled at an average of 7 to 8 rubles per pud (58*s.* to 66*s.* 2*d.* per cwt.). The average price of raw American cotton at Moscow during the year 1864 was 20 rubles per pud, or 8*l.* 5*s.* 6*d.* per cwt. The highest point which the price of American cotton reached that year was 30 rubles per pud, or 12*l.* 8*s.* 3*d.* per cwt., or about 2*s.* 3*d.* per lb. For twenties and the lower numbers American cotton of an inferior quality is used, as well as Persian, Bukharian, and Caucasian cotton imported over the Orenburg line of frontier. The Asiatic cotton is frequently mixed with the American. In 1864 Bukhara cotton was selling at 18 to 25 rubles per pud (7*l.* 9*s.* to 10*l.* 7*s.* per cwt., or about 1*s.* 3*d.* to 1*s.* 10*d.* per lb.). But the inferiority of the Asiatic cotton, and the fraudulent manner in which it is packed, raises the price to the spinner by about 20 per cent. on the best descriptions, and 50 to 60 per cent. on the lowest. Efforts are, however, being made to induce the Asiatics to supply a better article in a more honest manner, and the Trans-Caucasian Commercial Company has introduced American roller-gins in Armenia, where the Caucasian cotton is mostly grown. The same Company expected to be able to import into Russia raw cotton from Khorassan prepared on the American system, to be delivered at Nijni Novgorod for 24 rubles per pud (9*l.* 17*s.* 7*d.* per cwt.), instead of 27 rubles 50 copecks (11*l.* 6*s.* 6*d.*), which was the price of Persian cotton in 1864.*

There were several exhibitors at Moscow (1865) of raw cotton grown in the Caucasus and on the shores of the Caspian.

The following were the prices given:—

Cotton grown from Orleans seed in Kutais Province, on River Rion, 7*l.* 9*s.* per cwt.

Cotton from American and Egyptian seed, exhibited by Caucasus Cotton Plantation Company, 6*l.* 17*s.* 6*d.* per cwt.

Cotton grown at Kutais, 1*s.* 2*d.* per lb.

The prices of the other description of Asiatic cotton wool will be seen at a further stage of this Report under the head of yarns.

Wadding made of Bukharian cotton was exhibited in Moscow at 49*s.* 8*d.* to 124*s.* 2*d.* per cwt.

6. *Colours and Chemicals used in Cotton Printing.*

Nearly all the colours and chemicals, excepting madder, used in cotton printing in Russia, are imported from foreign countries. The following figures show

* Mr. J. S. Lumley's Report on the Cotton Trade.

the extent to which they were imported severally in 1859 and 1864, together with the duty now levied on them:—

	Quantity.		Value.		Duty per cwt.*	
	1859	1864.	1859.	1864.		
	Puds.	Puds.	Rubles.	Rubles.	s.	d.
1. Indigo	47,000	39,000	4,000,000	3,884,000	24	9
2. Madder	67,000	4,900	456,000	31,000	4	2
3. Cochineal	12,000	9,400	640,000	457,000	19	10
4. Avignon berries	170,000	122,000	550,000	282,000	0	10
5. Dye wood	366,000	416,000	654,000	965,000	0	8
6. Saffron	130	121	36,000	31,000	99	3
7. Extracts of dye wood	101,000	69,000	1,625,000	872,000	13	3
8. Oil	719,000	800,000	4,540,000	5,749,000	15	3
9. Gall nuts	7,000	3,200	22,000	6,200	1	8
10. Gums	69,000	52,000	512,000	450,000	3	4
11. Starch and potatoe flour	1,700	2,100	8,800	11,200	4	2
12. Resin and glue	149,000	72,000	225,000	231,000	74	6
13. Chloride of lime and hydrochloric acid ..	85,000	77,000	246,000	246,000	3	4
14. Sulphuric acid, &c.	25,000	19,300	141,000	88,000	3	4
15. Soda	455,000	616,000	921,000	1,263,000	0	10

The Trade Returns for Asia for the year 1864 not having yet been published, the item of madder is not quite correctly shown in the above statement, as considerable quantities of it are imported from Asia, and especially from the Caucasus. The Caucasian madder is now preferred to the French, and is much used by all the manufacturers.

Oak-bark (*Quercitron*) is now widely supplanted in the province of Vladimir by the peel of onions. An extract of spruce, introduced by L. Rabeneck, is much used in dyeing where gallnut and blue logwood were formerly required.

7. *Prices of Russian Cottons.*

A. *Cotton yarn.*—The small number of large capitalists in Russia; the credits on very long terms; the necessity of importing every piece of machinery from foreign countries, owing to the unsatisfactory state of machine-making in Russia; the stoppages in summer and on holydays which the manufactories have to suffer; the high rate of wages to masters and managers of mills; and the want of proper means of communication,—are the principal circumstances that the Russian manufacturers urge as those which place them at a disadvantage compared with foreign competitors. The protection afforded by the Tariff is supposed to countervail these disadvantages, which should more properly be ascribed solely to the existence of an enormous contraband trade.

The price of Russian yarn is governed chiefly by that of English imported goods, irrespectively of the cost of production at home. Prices fell 20 and even 30 per cent. between 1840 and 1860. The middling numbers of Russian yarn correspond in price with similar German yarn; but compared with English yarn, it was supposed, in 1860, to be at least 30 per cent. dearer. The following were the prices in 1860 of yarn at one of the largest mills in the province of Vladimir:—

Water twist (warp yarn)—
Nos. 18–20.—14 rubles per pud, 5*l.* 15*s.* per cwt
26–28.—14 „ 5*l.* 15*s.*, ditto.
34–36.—16 „ 6*l.* 12*s.* 6*d.*, ditto.

Mule twist (weft yarn)—
Nos. 16–18.—11 „ 4*l.* 11*s.*, ditto.
28–30.—15 „ 6*l.* 4*s.*, ditto.
38–40.—16 rubles 25 copecks per pud, 6*l.* 14*s.* 6*d.*, ditto.
46–48.—17 rubles 50 copecks per pud, 7*l.* 5*s.*, ditto.

Medio—
Nos. 32 and 40.—15 rubles 75 copecks per pud, 6*l.* 10*s.* 6*d.*, ditto.
36.—16 rubles per pud, 6*l.* 12*s.* 6*d.*, ditto.
38–40.—17 rubles 50 copecks per pud, 7*l.* 5*s.*, ditto.

The following were the prices attached to the yarn of fifteen exhibitors at Moscow:—

* Plus 10 per cent. additional.

Water twist (warp yarn)—
No. 24.—8*l.* 13*s.* 9*d.*, 9*l.* 7*s.* 6*d.*, and 13*l.* 4*s.* 9*d.*, per cwt.
30.—4*l.* 2*s.* 9*d.*, 12*l.* 8*s.* 3*d.*, 12*l.* 8*s.* 3*d.*, ditto.
32.—4*l.* 2*s.* 9*d.*, 12*l.*, 12*l.* 8*s.* 3*d.*, and 14*l.* 18*s.*, ditto.
34.—8*l.* 5*s.* 6*d.*, 9*l.* 2*s.*, 9*l.* 10*s.* 3*d.*, 10*l.* 7*s.*, 10*l.* 15*s.* 2*d.*, 12*l.* 8*s.* 3*d.*, and 13*l.* 0*s.* 8*d.*, ditto.
36.—
38.—
40.—
50.—
70.—
90.— } 9*l.* 6*s.* 2*d.* to 19*l.* 0*s.* 8*d.*, ditto.

Of Egyptian cotton—
No. 40.—14*l.* 18*s.*, ditto.
70.—17*l.* 17*s.* 6*d.*, ditto.
Prices from 8¾*d.* to 3*s.* 4¾*d.* per lb.

Weft yarn—
Nos. 8, 12, 30, 38 and 40.—5*l.* 3*s.* 6*d.* to 8*l.* 13*s.* 9*d.*, per cwt.
10 to 38.—5*l.* 7*s.* 6*d.* to 9*l.* 14*s.* 6*d.*, ditto.
No. 20.—7*l.* 9*s.*, ditto.
38.—9*l.* 14*s.* 6*d.* to 9*l.* 18*s.* 8*d.*, ditto.
40.—7*l.* 17*s.* 3*d.*, 8*l.* 13*s.* 9*d.*, 9*l.* 2*s.*, 9*l.* 17*s.* 6*d.*, 10*l.* 7*s.*, ditto.
44.—11*l.* 3*s.* 6*d.*, ditto.
50.—12*l.* 16*s.* 6*d.* (14*l.* 0*s.* 4*d.* and 14*l.* 9*s.* 8*d.*, twisted), ditto.
Prices from 11*d.* to 2*s.* 7*d.* per lb.

Medio—
No. 32.—12*l.* 8*s.* 3*d.*, per cwt.
34.—4*l.* 2*s.* 9*d.*, 11*l.* 11*s.* 8*d.*, ditto.
36.—13*l.* 13*s.*, ditto.
38.—12*l.*, 12*l.* 8*s.* 3*d.*, 13*l.* 0*s.* 8*d.*, ditto.
40.—12*l.*, 12*l.* 16*s.* 6*d.*, 13*l.* 4*s.* 9*d.*, 14*l.* 9*s.* 8*d.*, ditto.
Nos. 40, 42, and 44.—12*l.* 12*s.* 6*d.*, and 12*l.* 16*s.* 6*d.*, ditto.
Prices, 8¾*d.* to 2*s.* 7*d.* per lb.

The prices of several corresponding numbers have exactly doubled between 1860 and 1865. In 1860 the lowest price of Russian yarn was 9¾*d.* per lb. (4*l.* 10*s.* per cwt.), and the highest 1*s.* 3½*d.* per lb. (7*l.* 5*s.* per cwt.)

There was only one exhibitor in 1865 (Maltsoff, in the province of Vladimir) who produced water twist as low as 8¾*d.* per lb. The next lowest price of warp yarn at the exhibition was 1*s.* 5*d.* per lb., while the highest was about 3*s.* 5*d.* per lb.

The lowest price of mule twist (weft yarn) shown at the Exhibition was about 11*d.*, and the highest 2*s.* 7*d.* per lb.; the corresponding figures for 1860 being 9¾*d.* and 1*s.* 3½*d.* per lb.

Mr. Maltsoff also exhibited medio twist at the same low figures as his water and mule twist, viz., 8¾*d.* per lb., but none other of the exhibitors began lower than 2*s.* 1*d.* per lb.; the highest price was 2*s.* 7*d.* per lb. Setting aside the exceptional cheapness of Mr. Maltsoff's yarn, the prices ranged as follows at the Exhibition of Moscow:—

Water twist, 1*s.* 5*d.* to 3*s.* 5*d.* per lb., for Nos. between 24 and 90.
Mule twist, 11*d.* to 2*s.* 7*d.* per lb., for Nos. between 8 and 50.
Medio twist, 2*s.* 1*d.* to 2*s.* 7*d.* per lb., for Nos. between 32 and 44.

The above prices varied according to the quality of the cotton employed, as will be seen from the following quotations:—

	Per cwt. £	s.	d.		£	s.	d.
Warp No. 34—							
American cotton ..	12	8	3	and	13	0	8
American seed grown at Astrakan			10		7	0	
Bukharian cotton ..			9		2	0	
Armenian			8		5	6	
Persian cotton ..	9	10	3	and	10	15	2

	Per cwt. £	s.	d.
Weft No. 40—			
Armenian cotton	7	17	3
Bukharian cotton	8	13	9
Persian and Caucasian	9	2	0
American seed-cotton grown at Astrakan	9	17	6
Highest price exhibited	10	7	0
Medio No. 40—			
Highest American cotton	14	9	8
Caucasian and Bakù	12	0	0

The greater part of the medio twist exhibited was of middling American cotton.

Before we inquire into the prices of the Russian cotton goods exhibited at Moscow, it may be some check on them to examine the prices of yarn quoted by some of the principal cotton manufacturers.

The following is the list of prices given in the official catalogue under the head of S. Morozoff and Sons:—

Water, No. 32.—36 rubles per pud, equal to 14*l.* 8*s.* per cwt.
Medio, No. 40.—35 rubles per pud, equal to 14*l.* 9*s.* 8*d.* per cwt.
Ditto, twisted, dyed, No. 40.—30 rubles per pud, equal to 12*l.* 8*s.* 3*d.* per cwt.
Weft, No. 20.—18 rubles per pud, equal to 7*l.* 9*s.* per cwt.
Ditto, 38–40.—25 rubles per pud, equal to 10*l.* 7*s.* per cwt.

A. S. Khludoff—
Warp, No. 34.—30 rubles per pud, equal to 12*l.* 8*s.* 3*d.* per cwt.
Medio, No. 40.—31 rubles per pud, equal to 12*l.* 16*s.* 6*d.* per cwt.
Weft, twisted, No. 50.—34 rubles per pud, equal to 14*l.* 0*s.* 4*d.* per cwt.
Warp (of 2,000 threads).—31 rubles 50 copecks per pud, equal to 13*l.* 0*s.* 8*d.* per cwt.

Dyed cotton yarns were quoted at the Exhibition at the following prices:—

F. Rabeneck—
Red cotton yarn, twisted.—65 rubles per pud, equal to 26*l.* per cwt.
" medio.—65 rubles per pud, equal to 26*l.* per cwt.
" weft.—48 rubles per pud, equal to 19*l.* 17*s.* per cwt.
Twist.—33 rubles per pud, equal to 13*l.* 13*s.* per cwt.

L. Rabeneck—
Cotton twist, dyed Turkey red.—33 to 58 rubles per pud, equal to 13*l.* 13*s.* to 24*l.* per cwt.

L. Zurhosen—
Cotton yarn, dyed Turkey red.—51 to 64 rubles per pud, equal to 21*l.* 2*s.* to 26*l.* 8*s.* 6*d.* per cwt.
" weft.—42 and 50 rubles per pud, equal to 17*l.* 7*s.* 6*d.* and 20*l.* 13*s.* 9*d.* per cwt.
" water.—51 and 53 rubles per pud, equal to 21*l.* 2*s.* and 21*l.* 18*s.* 6*d.* per cwt.

L. Solovieff—
Red twist.—11*l.* 3*s.* 6*d.* to 16*l.* 10*s.* per cwt.

Nearly alll the Turkey-red yarn used in Russia is now manufactured in the country, great improvement having been made in the dyeing since it was first introduced. In 1853 the wholesale prices of this yarn were as follows:—

Water twist, No. 40.—37 rubles per pud, equal to 15*l.* 6*s.* 8*d.* per cwt.; manufacturing price, 8 to 8½ per cent. lower.
Mule, No. 46.—37 rubles per pud, equal to 15*l.* 6*s.* 8*d.* per cwt.; manufacturing price, 8 to 8½ per cent. lower.
Mule, No. 10.—19 rubles 50 copecks per pud, equal to 8*l.* 1*s.* 4*d.* per cwt.; manufacturing price, 8 to 8½ per cent. lower.

The prices given at the same time by Rabeneck Brothers (see above) were 10 to 15 per cent. in excess of the foregoing.

B. *Cotton Tissues.*—The calico produced in Russia by machinery is not in the least inferior to that made in Great Britain or the United States. The difference in the relative cost of production was estimated at the Great Exhibition of 1851 at 45 per cent. to the disadvantage of Russia. Mr. Scheerer, in the Report from which the greater part of the information contained in this Memorandum is drawn, reduced that difference in 1860 to 30 or 35 per cent., the reduction showing the effect of a wider introduction of power looms. Shirtings had fallen between those dates from 5*d.* to 3¼*d.* per yard. Hand-made calico was selling in 1860 at 3¼*d.* and 3½*d.* per yard for middling qualities, and at 2*d.* to 2¾*d.* for the commoner cottons. The highest price for hand-loom cotton cloth at that time was about 4*d.* per yard.

Even in 1861 it was considered that the ordinary cottons produced at the best mills could almost compete with the foreign goods in price, while the middling and higher qualities were but very little dearer. The muslins alone showed a considerable difference in the cost of production. The following, however, is a list of the prices quoted at an Exhibition of Manufactures held in 1853, compared with the range of prices shown at Moscow in 1865:—

	Prices, 1853.	Prices, 1865.	
		Russian.	English equivalent.
	Per Arshin.	Per Arshin.	Per Yard.
1. Ginghams, $\frac{3}{4}$ and $\frac{4}{4}$	10 c. and 16 c.	9 c. and 14 c.	$3\frac{3}{4}d.$ and $5\frac{1}{2}d.$
2. Sarpinka, $\frac{3}{4}$	14 c. and 16 c.	13 c. to 28 c.	$5\frac{1}{4}d.$ to $11\frac{1}{2}d.$
3. Dimity	8 c. to 21 c.	22 c.	$9d.$
4. Cotton tick	19 c.	13 c. to 40 c.	$5\frac{1}{4}d.$ to $1s.$ $4\frac{1}{2}d.$
5. Bombazines	15 c. to 30 c.	—	—
6. Cotton table-cloths, $\frac{3}{4}$	75 c.	—	—
7. Lasting	15 c. to 22 c.	—	—
8. Tricot	16 c. and 17 c.	9 c. to 35 c.	$3\frac{3}{4}d.$ to $1s.$ $2\frac{1}{4}d.$
9. Chequered cort (?)	17 c.	28 c. and 34 c.	$11\frac{1}{2}d.$ to $1s.$ $2d.$
10. Nankeen, narrow	10 c. to 12 c.		
„ $\frac{3}{4}$	14 c. to 15 c.	5 c, to 75 c.	$2d.$ to $2s.$ $7d.$
„ 1 arshin (28 inches) ..	21 c.		
11. Plush, No. 13	$41\frac{1}{2}$ c.		
„ No. 14	43 c.	13 c. to 57 c.	$5\frac{1}{4}d.$ to $2s.$
„ No. 17, wide	75 c.		
12. Muslin, chequered	20 c.		
„ à jour	25 c.	28 c., $31\frac{1}{2}$ c., and $32\frac{1}{2}$ c.	$11\frac{1}{2}d.$, $1s.$ $0\frac{3}{4}d.$, and $1s.$ $1\frac{1}{4}d.$
„ gauze	43 c.		
„ for curtains	36 c. to 43 c.	30 c., 38 c., and 40 c.	$1s.$, $1s.$ $3\frac{1}{2}d.$, and $1s.$ $4\frac{1}{2}d.$
13. Calico	5 c. to 10 c.	8 c. to 30 c.	$3\frac{1}{4}d.$ to $1s.$ $0\frac{1}{4}d.$

The prices of ordinary printed cottons ranged in 1853 between 7 and 14 copecks per arshin ($2\frac{3}{4}d.$ to $5\frac{1}{2}d.$ per yard); the cost of printing cotton cloth of $2d.$ to $2\frac{1}{4}d.$ per yard, being $\frac{3}{4}d.$ to $1d.$ per yard. The bulk of the prints produced at that period ranged between 15 and 28 copecks per arshin ($6d.$ to $11\frac{1}{2}d.$ per yard), and were then almost equal in price and quality to similar foreign goods. The higher qualities of prints at $1s.$ to $2s.$ $1d.$ per yard were then considered to be 15 to 25 per cent. dearer than foreign printed calicoes.

Between 1840 and 1860, the prices of all printed cottons, like those of calico, fell 20 and 30 per cent., and even more.

Appendix (E.)

Memorandum on the Manufacture of Cloth and Woollens in Russia.

(Compiled from Russian Official Reports, by T. Michell.*)

1. History of the Manufacture.
2. Consumption of Cloths and Woollens in Russia; their Importation and Exportation.
3. Technical Observations on the Manufacture of Cloth.
4. Manufacture of Combed Wool.
5. Seats of Woollen Industry in Russia.
6. Qualities of Russian Wool.

1. *History of the Manufacture.*

THE manufacture of woollen cloths is mentioned in Russian chronicles of the eleventh century. In 1382 the Tartar invaders found many cloth-workers established at Moscow. Later, in the fifteenth and sixteenth centuries, the Hanseatic League supplied the Republics of Novgorod and Pskof with large quantities of that material. The Russia Company of Merchants, established in England by Charter of Philip and Mary, held a monopoly of the trade with Moscow in the latter part of the sixteenth and seventeenth centuries, and dealt largely in broad cloth at highly remunerative prices. A foreigner established a cloth mill at Moscow in 1650, but not being able to compete with the imported article, was soon obliged to abandon the enterprise. The Tsar Alexis (1645-76) was the first Sovereign of Russia who caused foreign sheep to be imported with the view of improving the native breed. No great progress was, however, made in this branch of industry until Peter the Great took it in hand. He granted privileges and subsidies to cloth-workers, and even decreed that the serfs should be allowed to pay their taxes in wool, of which the quality, it is recorded, was then very inferior. The first mill for the manufacture of army cloth was established at Moscow soon after Peter the Great's return from his travels in 1698. In 1705 a coat was made for the Tsar of Russian broad-cloth, and he never afterwards wore any other material. The exportation of Russian sheep and wool was about the same time prohibited. In 1716 an officer was sent to Poland and Silesia to engage skilled shepherds, who were accordingly sent to the South of Russia. Little Russia was selected as the country best adapted to the growing of wool, but the attempts made to improve the breed of sheep long met with strong opposition on the part of the gentry and peasantry. The College of Mines and Manufactures, established by Peter the Great, did much to promote the development of cloth-making, and, as a result of its efforts, thirty cloth mills were opened in Russia between the years 1719 and 1770. They all enjoyed various immunities, and large grants of land, serfs, and money. By an ukase of 1752 it was enacted that the proprietors of cloth mills should purchase forty-two male serfs per loom, of whom one-third were to be employed at the manufactory and two-thirds in agriculture. Of the fourteen thus attached to

* Principally from the "Review of the several branches of Manufacturing Industry in Russia, 1862," printed by the Russian Department of Trade.

the mill, twelve were employed to each loom and two for the remaining processes in the making of cloth. Some years after, the Government no longer permitted the attachment of serfs to manufactories, and the cloth mills began to be worked with free labour.

In 1773 there were eighteen cloth mills and two kersey mills in the Province of Moscow alone. The 567 looms of those establishments produced goods to the extent of 77,000*l.*, the cloths of Russian wool being at 2*s.* 1*d.*, of Silesian wool at 4*s.* 7*d.*, and kerseys at 6*d.*, per yard.*

The subsequent history of the manufacture of cloth in Russia is intimately connected with the equipment of the Russian army. This originally devolved on the College of Manufactures, finally abolished in 1803, when affairs relating to manufactures were placed under the control of the Minister of the Interior.

The Russian Government had at first recourse to very arbitrary measures in order to secure adequate supplies of cloth for the army; it was forbidden, under penalty of confiscation, to sell army cloth to private individuals; the cloth was taken from the traders at fixed prices; the privileged or endowed manufactories were bound to produce nothing but army cloth, of which a certain quantity was to be furnished yearly to the Government at a price fixed by it; the mills independent of Government support were forced to supply a certain quantity of cloth for the troops, according to the number of looms worked; and, lastly, the manufacturers were not permitted to dye thick cloth any other colour except dark green and black. The quantity of army cloth at that time required by the Government amounted to 1,040,000 yards. The Government prices in 1791 were 2*s.* 6*d.* per yard for white cloth, 2*s.* 7*d.* to 2*s.* 9*d.* for green, and 2*s.* 11*d.* for scarlet. In 1803 those prices rose to 2*s.* 9*d.* to 3*s.* for white cloths, and 3*s.* 2*d.* to 3*s.* 4*d.* per yard for other colours.

All these measures continued in force until 1808, when the "Chief Direction of Manufactures" was established, which was charged, among other duties, with the purchase of cloth for the army, of which nearly 2,000,000 yards were by that time required. Compulsory measures were then superseded by direct encouragement, consisting principally in subsidies, of which about 270,000*l.* fell to the share of the producers of cloth in 1809. Persons otherwise disqualified from holding lands peopled by serfs were now permitted to purchase them for the establisment of cloth mills; the houses and other buildings of the manufacturers were freed from the liability of quartering troops; no service in a public capacity (still considered an onerous duty) was demanded of the manufacturers, and their workmen were not called upon to enrol themselves in the Guild of Artizans. Model machinery was allowed to be imported free of duty, and success in the manufacture of cloth was rewarded with patents under the sign-manual, by presents, medals, and civil grades; and, lastly, by the title of "Councillor of Manufactures."

Although under such a system the number of factories increased, and the manufacture of inferior qualities of cloth was very much stimulated, yet the necessities of the Government as regards the clothing of the army were far from being regularly satisfied, and consequently the supply of a certain quantity of army cloth remained obligatory on all the cloth mills until the year 1816. The Committee which was then appointed for the purpose of purchasing army cloth in the open market was obliged to import large quantities of it from England. In 1822, however, the Home supply exceeded the Government demand, and the 3,112,300 yards required in 1823 were readily obtained. In order to secure an even and constant supply, the Government determined to protect from competition those mills which were specially devoted to the production of army cloths. In 1824, mills recently established were not allowed to tender for contracts while the old factories were able to supply the demand. The prices were regulated by mutual consent, and the Government directed the attention of the manufacturers to the perfection of the material after samples made from picked Russian wool.

The exclusion of all the mills established after 1824 from Government contracts operated beneficially in this respect, that it promoted the manufacture of superior articles for general consumption. The cloth mills of Russia had confined themselves for many years to the production of army cloth—an industry which at that time corresponded with the state of sheep-farming in the country; no high-quality cloths whatever were produced, and the supply of middling qualities was not equal to the demand; consequently those qualities were largely imported from abroad. The scarcity of good wool, and the great demand for it in other countries, likewise

* The ruble has been converted throughout this Memorandum at 32*d.*, or nearly 16 per cent. below par—its present average value.

militated against the perfection of the manufacture. The Government, in 1825, invited Mr. Speck, from Saxony, an authority on wool-growing, to visit Russia and give his advice. Wool fairs were established; foreign sheep-farmers and shepherds coming to Russia were freed from all taxes, and many other active measures were about that time adopted in order to urge the manufacturers to greater efforts. The effect was soon felt in an improved quality of home-grown wool. the Tariff of 1822 prohibited the importation into Russia of fine cloths and of woollen fabrics of certain colours, and imposed a heavy duty on foreign cloths in general.

The growth of the industry was therefore as follows:—

		1820.		1825.
Produce of fine cloths	Yards.	220,280	..	700,200
,, army and other cloths	,,	2,878,600	..	4,279,000

Russian cloth of middling quality began at this time to drive similar foreign goods out of the interior markets.

In 1828 the number of woollen factories had increased to 400 and produced 3,890,000 yards of low quality cloth, and 3,112,000 yards of fine cloth, cashmere, baize, &c.

The carelessness with which the washing and sorting of wool were effected inflicted much injury on its manufacture, and the necessity of establishing special wool-washing stations became evident. The first of these establishments was opened in 1823, at Kherson, and many others were subsequently brought into operation at Odessa, Kremenchuk, and Moscow: in the latter case with the assistance of a Government subsidy of 27,000*l.* for the importation of sheep washers and sorters from Saxony. In order to encourage the breeding of sheep, foreign wool was charged in 1828 with a heavy duty, ranging between 4*s.* 2*d.* and 12*s.* 2*d.* per cwt., while the export duty on Russian wool was lowered to the extent of 1*s.* 3*d.* to 4*s.* 2*d.* per cwt. There being an abundance of home-grown wool, these reductions had no unfavourable influence on the manufacture of cloth in Russia.

As the demand for light cloths and ladies' cloths increased, the division of labour was introduced into the manufacture of wool. Separate mills for the spinning and weaving of wool and the finishing of cloth were first established at Moscow. A foreigner had attempted to establish a separate spinning mill in 1820, but failed from want of orders. Ten years later, however, there were at Moscow twenty-four spinning mills with fifty machines, and as many as twenty factories for the finishing of the raw material woven at other factories and by the small weavers.

The weaving of ladies' cloths, handkerchiefs, and certain sorts of middling cloths, was already carried on to a considerable extent in the villages around Moscow.

But the best and largest woollen factories were far from adopting the system of dividing the production of woollens into separate branches. It was, on the contrary, the object of the principal manufactures to centralise the various processes. A mill where the several operations of cloth-making were to be carried out on a vast and brilliant scale was set up in Moscow. No less than 670,000*l.* were expended in building and in machinery and expert masters from abroad, but after a short existence the undertaking was abandoned, the calculation of the founders having proved ill-founded. Other factories, however, derived much advantage from the machinery and managers thus imported: some of the latter even set up for themselves. The example of establishing large mills, complete in themselves, has been since followed with success by Prince Trubetskoi (who adopted the spinning-jenny), by Ganeshin, Chetverikoff, and several others.

The Polish revolution of 1830, which was followed by the removal of several owners of cloth mills and their workmen into the interior of Russia, as well as the changes made in the Custom-house system between Russia proper and the Kingdom of Poland, gave a still further impetus to the production of cloths in Russia, and resulted in great success in the Province of Livonia, to which in 1835 were removed amongst others the cloth mills of Wehrman, Lembke, and Retchen. These were then established on an enormous scale and in the best possible manner near Pernau.

The number of cloth mills in Russia had grown in 1840 to 450; the quality of the manufacture had visibly improved, and a new branch of industry was introduced —that of making woollen fabrics (known as worsted goods), first from foreign-combed yarns, and then from home-made yarns. The importation of cloth, both

from foreign countries and from the Kingdom of Poland, has since considerably decreased.

The following Table shows the value of the importation of cloth into Russia between the years 1826 and 1864 :—

	Imported from		Total Importation.
	Foreign Countries.	Kingdom of Poland.	
	£	£	£
1826–30	123,000	281,000	404,000
1831–35	121,000	64,000	185,000
1836–40	77,000	46,000	123,000
1841–45	68,000	41,000	109,000
1846–50	70,150	40,000	111,000
1860–64	93,000	—	—

First in 1847 and finally in 1857 the old enactments excluding certain cloth mills from undertaking army contracts were annulled. Some of the annual contracts since the former date were for 6,228,000 yards, and that of 1856 exceeded 10,115,000 yards. The latter contract, notwithstanding its magnitude, was executed with almost perfect exactitude.

The number of manufacturers who offered to take up army contracts amounted in 1857 to 178, and in 1861 to no fewer than 184, representing 2,234 machines, or about two-fifths of the total of the cloth mills in the Empire. In 1860, the number of cloth mills in Russia was estimated at 431, and in 1863, at 362, employing 71,797 hands, and producing to the value of about 3,500,000*l.* sterling.

As the woollen industry improved and took firm root, the duties on similar foreign goods were modified in successive Tariffs. In 1837, the importation of some of the prohibited articles under the head of woollens was permitted on payment of heavy duties. The Tariff of 1841 still further admitted foreign competition. In 1845 and 1846 the duty on cloth, half-cloth, and ladies' cloth imported from Poland and from foreign countries was lowered. The Tariffs of 1850 and 1857, which lowered the import duties yet more, opened wider the field for competition with foreign manufacturers, which had undoubtedly the advantage in the production of high qualities of cloth. In 1850, it was found expedient, without prejudice to the interests of the Empire, to abolish the Custom-houses between Russia proper and the Kingdom of Poland, without fearing the competition of the Polish manufacturers who had the advantage in the better qualities, but not in the lower and middling qualities prepared for Asia and particularly for China. The Polish manufacturers abandoned the latter trade as early as 1845, both on account of their distance from the markets nearest to China, and because the Russian wool from which the low quality cloths had to be manufactured was dearer in Poland than in Russia. Nor was their machinery so well adapted as that of the Russian mills to the manufacture of the close-woven cloths required by the Chinese and known in the trade as Meseritski and Maslovye, so called after two places in Silesia where they were originally made.

The cloth for China, originally only carried through Russia in transit, was first produced on a large scale at Moscow, about the year 1835. The lowest qualities of that description of cloth are now supplied to the inhabitants of the Steppes of Mongolia. About the year 1845 the Russian mills began to manufacture "half cloth" and ladies' cloth like that prepared by English manufacturers for Canton and known in Yorkshire as "Spanish Stripes." The total exports of woollen materials to China at that period averaged 1,167,000 yards annually, of the value of 400,000*l.*; but the demand is now very subject to fluctuation, being entirely dependent upon the tea trade.

In 1863, Russia exported to China through Kiakhta 518,111 yards of cloth valued at 234,386*l.*, at an average price of about 9*s.* per yard.

As regards the introduction and progress of wool-combing in Russia, it would appear that the manufacture of worsted goods from combed wool, notwithstanding the great and general demand for them (their importation between 1824 and 1829 having amounted to nearly 4,000,000*l.* sterling) has met with much difficulty. The want of long-staple wool for that purpose, the difficult operation of combing wool by machinery with combs instead of with cards, and the complicated mechanism for spinning yarn, were long drawbacks to the introduction of that industry into Russia.

About the year 1826 a manufactory was established at Riga for the production of those fabrics, but only from yarn already spun from combed wool and imported from abroad. With the view of facilitating the introduction of the manufacture into Russia, the Government in 1830 permitted for a period of ten years the importation of combed yarn and worsted at a reduced duty. From the year 1845 the production of these fabrics made considerable progress. At an exhibition of manufactures held in 1843, the works for dyeing and printing mixed woollens, established by the Brothers Gutchkoff in 1816, attracted much attention, and the same firm ultimately brought the manufacture to great perfection. The development of the manufacture of worsted fabrics is best estimated by the increase of the importation of foreign combed wool and worsted yarn, employed in that production. Until 1830, the importation was very small, but it subsequently increased in the following ratio :—

	Average.		Average.
Between 1830 and 1832	17 tons.	In 1860	1,375 tons.
„ 1833 „ 1838	37 „	1861	1,540 „
„ 1839 „ 1844	68 „	1862	1,200 „
„ 1845 „ 1850	295 „	1863	870 „
„ 1851 „ 1857	1,054 „	1864	1,170 „

The proportion of yarn imported into Russia from Great Britain, of late years, has been as follows*:—

1859	923 tons.
1860	1,020 „
1861	1,121 „
1862	538 „
1863	475 „

The spinning of combed yarn was first attempted in Russia about the year 1831. But all the establishments erected for the purpose were soon closed. The process was too difficult, and even abroad the machinery for it was frequently changed. The difficulties were partly overcome in 1845 by the Brothers Gutchkoff, who followed the example of the German manufacturers in combining the system of spinning combed wool with the ordinary process of preparing the short carded wool from native wool, containing 5 to 20½ per cent. of staple sufficient long to be worked with a comb. But the manufacture of real worsted yarn with proper machinery was, however, only subsequently introduced into Moscow.

The woollen industry of Russia may be said to be passing through stages of gradual improvement, the principal difficulties having been at last overcome. Great results have been attained in the production of common cloth, both as regard quality and cheapness. The home consumption and the trade with China afford sufficiently extensive markets. Great progress has also been made in the manufacture of fine cloths and light woollen fabrics, but the cost of producing them is still too high. It would appear from the most recent reports that although very few new wool factories are being established, there is nevertheless an onward tendency, manifested in the extension of existing manufactories, and the introduction of steam-power and machinery. The production of mixed fabrics is more especially increasing.

2. *The Consumption of Cloths and Woollens in Russia; their Importation and Exportation.*

The principal part of the woollens produced in Russia in consumed in the interior of the Empire. They are sold at the two capitals in the provincial and district towns, and in the large villages throughout the country; but the largest sales are effected at the several home fairs. At the fair of Nijni-Novgorod alone, woollen goods to the extent of 2,000,000*l.* sterling are bought and sold, the cloth material being in the proportion of a little more than half the total quantity. They are used by all classes of the population; and it is only the fashionable and expensive woollen fabrics that are imported from foreign countries. The total importation in 1864, from Europe, amounted, according to Russian Returns, to 413,299*l.*, of which about 81,000*l.* from England, the greater part of the rest having been derived from Germany. Foreign woollens are chiefly imported at the ports in the Baltic, and the remainder over the Western land frontier. Small quantities also enter at the ports in the Black and Azof Seas.

There is very little exportation of Russian cloths to Europe. It amounted in

* Annual Statement. Board of Trade.

1863 to 4,000*l.* The value of the quantity exported in 1864 amounted to 10,000*l.* (39,500 yards; *circa* 5*s.* 9*d.* per yard). More than two-thirds of that quantity were shipped to ports in the Baltic, and the remainder (about 13,000 yards) passed over the land frontier into Germany.

The following figures show the value of the cloth annually exported from Russia to countries in Asia since 1826:—

	Annual Average.		
1826–30	£ 65,000	1858	£267,000
1836–40	128,000	1859	400,000
1845–47	413,000	1860	397,000
1848–50	360,000	1861	318,000
1854–56	280,000	1862	305,000
		1863	267,000

The export of Russian cloths to Asia attained its highest figures in 1846, and it has been steadily falling for some years, principally in the trade with China, as shown by the following figures:—

	£
1859	361,000
1861	275,000
1862	260,000
1863	234,000

The following Table shows the amount of the general importation and exportation of woollen fabrics to and from Russia:—

	Import.	Export.	Balance.	
			Import.	Export.
	£	£	£	£
1824–26	333,000	24,000	309,000	—
1827–29	367,000	47,000	320,000	—
1839–41	450,000	267,000	183,000	—
1845–47	317,000	413,000	..	96,000
1848–50	280,000	360,000	..	80,000
1854–56	181,000	291,000	..	110,000*
1857	533,000	227,000	306,000†	—
1858	480,000	307,000	173,000	—
1859	560,000	460,000	100 000	—
1860	493,000	443,000	50 000	—
1861	533,000	363,000	170 0 00	—
1862	420,000	349,000	710 00	—
1863	337,000	293,000	800 00	—

3. *Technical Observations on the Manufacture of Cloth.*

The manufacture of cloth in Russia may be divided under two heads—the production of army cloths, and that of cloth for private consumption.

Army cloth is made of Russian wool alone, more or less picked, but badly sorted, and therefore coarse and hairy: the process of finishing is confined to rolling, shearing, and pressing. All attempts at imparting a nap to it have hitherto failed; the coarseness of the Russian wool, and the absence of all competition among the manufacturers, presenting great obstacles to any improvement. At the same time Russian wool might certainly be converted into tolerable cloth for consumption by the lower classes in towns; but many improvements would first have to be made in the processes of carding, spinning, and weaving. In most of the Russian manufactories producing army cloths, the two latter operations are made by means of antiquated machines, which act slowly and unsatisfactorily. The rolling is more especially deficient. The primary cause, however, of the imperfection of the Russian army cloth is the insufficient sorting which the raw material undergoes.

The manufacture of cloth for common consumption may be classified under two heads; first, mills producing fabrics more or less inferior; and secondly, mills producing middling and superior qualities of cloth. Among the latter are many in Poland, Livonia, and some in the Province of Moscow, which are in direct correspondence with foreign machine-makers, and which even keep agents in foreign countries for the transmission of improved machinery. Such establishments are not inferior to the best English, Belgian, French, and German cloth mills. All

* Effect of the Crimean War. † Result of peace, and Tariff of 1857.

the improvements introduced into the latter are immediately imported into the first-class mills in Russia. The cloth-mills in Poland are more careful in this respect than those of Russia Proper. They are, moreover, benefited by their contiguity to Silesia.

The manufactories in the Baltic Provinces have followed their example, and they have also the advantage of an abundant supply of excellent merino wool, purchased direct from the sheep farmers. The highly-finished cloth of Wehrman, Tillo, Tanck, and Baron Ungern Sternberg, as well as those of some of the Moscow mills, are now rendering the sale of Polish cloth somewhat difficult, the latter having hitherto always had the preference.

The manufacturers of Poland, Livonia, and the best of those in Moscow, are convinced of the advantage of concentrating all the complete processes of cloth-making in one establishment, from the preparation of the wool to the final finishing of the cloth. The separate establishments (as, for instance, in Moscow), for spinning yarn, weaving, and finishing cloth made of short-staple wool, only work for second-rate manufacturers.

The best manufacturers in England and elsewhere pursue the plan of concentrating these several operations.

The mills that produce exclusively for the China market are not in the least behind the others in the technical perfection of the material produced. The quality of the cloth has so much improved that the name of the better cloth has been dropped, the lower description of fabric having been brought up to its level.

But there are, nevertheless, many defects in the manufacture of the lower and middling quality cloths, which may be here pointed out.

The first drawback general to all cloth-mills in Russia is the unsatisfactory sorting of the wool, which is done at the mills, at a great loss of time and labour. The Russian manufacturers are frequently obliged to purchase the raw material in the most irregular manner, for the greater part have not sufficient capital, or being at too great a distance from the sheep farmers have not the possibility of purchasing the wool direct from the growers. The wool trade is in the hands of small middle-men, who, by their ignorance, inflict much loss both on the farmers and the manufacturers.

The Russian manufacturers have no experienced wool merchants to depend on, as in England or France. The wool thus purchased in considerable quantities must necessarily contain not only a mixture of different sorts, dry and moist, washed and unwashed, but also a great amount of rubbish. The manufacturers are well aware of this disadvantage, but as they can only purchase on credit, they have no remedy. It is only the large manufacturers, and mostly those of the Baltic Provinces and of Moscow, that import their wool from abroad, or purchase it direct from the growers at home, and sort it themselves, with but little difficulty, the wool being of one quality. This process is but badly carried on at the smaller mills, and hence great loss to the manufacturers, and much prejudice to the article produced.

The washing of wool, and the removal of fatty substances, are effected by simple and inexpensive processes, stale urine being chiefly used. Potash, soda, and other alkali, are only used for superior qualities, and not frequently. There are but few mechanical contrivances employed for removing the grease from the wool.

Improved rollers, and Price's apparatus for picking the wool, are very generally introduced into Russia: and another of Price's apparatuses, that for working up cloth rags, or shoddy, is known at Moscow. The machinery for it was imported from Belgium.

The subsequent oiling of the wool is not so well effected as the other processes, owing to the high price of olive or good wood-oil. At the same time, the dry wools of Russia require much moisture. Some manufacturers use butter, train-oil, goose-fat, &c.

There has not been any change in the process of carding the wool. The "batteurs éplucheurs-étaleurs" used are now on an extensive scale. The "banquette-continue" in which the first spinning apparatus is combined with the second combing, are general, although they have been abandoned in England and France. The mules employed are only second in size to those of 500 or 600 spindles used in England.

Much progress has recently been made in Russia in the weaving of cloth. Power-looms were only introduced into Russia about ten years ago, when the manu-

facturers of Moscow imported the apparatus made by Hartmann, of Chemnitz. Looms were subsequently made after the same model at Moscow. It is a singular fact that a Russian mechanic, of the name of Nesterhoff, claims to have invented the power-loom for cloth at Kaluga, about the year 1836. It was a reproduction of the power-loom for cotton, but failed.

The number of power-looms at work in the cloth-mills of Russia in the year 1862 amounted to 1,000. Considerable additions have since been made to that number. The application of those looms to the manufacture of cloth for China has contributed greatly to the improvement of the fabric, and to a reduction of its price.

Much as the Russian manufacturers have improved in the processes already mentioned, the greatest progress has, nevertheless, been made in the finishing of the cloth. Profiting by the experience of foreign manufacturers, those of Russia were soon convinced of the necessity of applying machinery on a more extensive scale to the finishing of the cloth, even when only of middling quality.

All the best Russian mills have improved cylindrical rolling machines; raseing machines, with drums of large diameter, giving a greater precision to the movement of the piece of cloth; drying machines, centrifugal and plain, heated by steam; shearing machines, transversal and longitudinal; and the most modern steaming and other machinery for finishing cloth.

The Jacquard loom is also very extensively used; and this, together with a large supply of various kinds of better wool, have opened a wide field to enterprise, on which many Russian manufacturers, such as Wehrman, Tillo, Tanck, Chetverikoff, Fiedler, Lachert, Moëss, and others, are ready and able to complete with foreign producers.

4. *Manufacture of Combed Wool.*

The manufacture of napless or plain woollen stuff goods has not made the same progress in Russia as the production of cloth. The mechanical spinning of long-staple wool (combing wool), which met with so many difficulties in other countries, was, as already stated, first practically undertaken in Russia, about the year 1845, by the Brothers Gutchkoff. Following in the steps of foreign manufacturers, they began by combed and spinning wool, making use of Russian raw material. The yarn thus produced proved well adapted to cheap mixed worsteds, as well as to printed fabrics of pure wool, of middling quality, such, for instance, as Mousseline-de-laine, the inequality and want of smoothness of the yarn being almost entirely concealed by the colours. In 1850 five more mills were opened in Moscow for the spinning of combed wool. These principally use the best qualities of Russian wool.

The machinery employed by the Brothers Gutchkoff is chiefly of French origin, the apparatus of Heilman Schlumberg being preferred. Flint and Donisthorpe's machinery is used at Count Lamsdorf's manufactory, at St. Petersburgh.

The weaving of smooth worsted fabrics preceded the introduction of machine weaving of long-staple wool, especially as regards printed woollens, but it has, nevertheless, not made the same progress as the manufacture of cloth, silk, and cotton. The want of the necessary material has not been so great an impediment as the influence of fashion, which requires the constant production of new designs. These fabrics, being also principally consumed by the wealthier class, have a comparatively restricted market. The consumption of mixed woollen goods is, however, on the increase in Russia, and will, no doubt, greatly promote the spinning and weaving of long-staple Russian wool.

Technically speaking, the weaving of long-staple wool is making rapid progress in Russia, although still in the hands of but few manufacturers. Jacquard and other improved looms are being widely introduced, and the art of dyeing is now more carefully studied.

5. *Seats of Woollen Industry in Russia.*

The localities in which the manufacture of wool is carried on in Russia may be divided into three categories. To the first belong the provinces where coarse army cloth is mostly produced; the manufactories in these localities belong principally to landed proprietors, and were formerly worked with serf labour. The second category comprises the provinces where cloth of a thinner description is

made; in some of them woollen, worsted, and mixed fabrics are woven, as well as cloth: these belong chiefly to merchants. The third category consists of the provinces where the washing and sorting of wool is principally carried on.

The provinces in the first category, in the order of the value of their production, are Simbirsk, Penza, Saratof, Tambof, Orel, Nijegorod, Samara, Kursk, Riazan, Poltava, Orenburg, Smolensk, and Kazan, situated in the basins of the Volga, Oka, and Don Rivers, by which the raw material is conveyed. The production of cloth in these provinces amounted, in 1859, to 6,419,000 yards, of the value of a little more than 1,000,000*l.* sterling. In 1851, the quantity of army cloth required by the Russian Government amounted to 3,455,000 yards. Of that quantity the 139 cloth-mills of the provinces above-mentioned furnished 2,532,000 yards; 31 mills in the neighbourhood of Moscow engaged in the manufacture of army cloth delivered 424,000 yards; and the remainder was divided among 10 mills in the other provinces.

The number of looms contained in the 180 mills producing army cloth was estimated, in 1859, at 2,177; in 1861 each loom was bound to furnish 1,694 yards. The largest quantity that an apparatus is calculated to produce annually is 7,000 yards.

To the second category belong, in addition to Moscow, the provinces neighbouring the Baltic, and those in the south and south-west of Russia, where the finer qualities of wool are grown, and where there is not sufficient advantage in manufacturing the common Russian wool. These provinces, in the order of the value of their production, are Grodno, Livonia, Chernigof, St. Petersburg, Kaluga, Kief, Podolia, Volhynia, Esthonia, Minsk, Tula, and Vladimir.

The third category is composed of the provinces where the washing and sorting of wool is chiefly carried on, viz., Kherson, Kharkof, Voronej (where cloth-weaving likewise prevails), the districts of Odessa and Bessarabia.

The manufacture of cloth is, moreover, carried on, although in a less considerable degree, in the provinces of Ekaterinoslaf, Mohilef, Taurida, Perm, Vitebsk, and Viatka. The value of the production of each does not exceed 7,000*l.*

Some localities are remarkable for the special branch of woollen industry that prevails in them. Thus the towhlet of Klintsi, Suraj district, province of Chernigoff, is celebrated for its stocking-weaving; while in the Semenoff district of the province of Nijegorod (or Nijni Novgorod) felt boots are extensively made.

In 1859 the total number of woollen manufacturers in the above provinces was computed at 711, employing 123,660 men, and producing to the extent of 4,897,000*l.* The number of hand-looms was then estimated at 30,581; power-looms, 710; Jacquard looms, 1,448; and stocking-looms, 180.

6. *Qualities of Russian Wool.*

So various are the breeds of sheep to be found in Russia, that the sorts and qualities of the different wool can scarcely be all enumerated. Russian sheep-farming may be divided into two heads: the keeping of common native sheep, and the breeding of foreign, fine fleece sheep. The former is largely pursued by the peasants of Russia; the latter is a special branch of husbandry. Both are quite independent of each other, and but little is done towards improving the home breed.

The best-known breeds of sheep in Russia are—

1. The ordinary Russian sheep, of middling size, with a coarse hard wool and a matted fleece resembling felt. This breed is very prolific, yielding sometimes as many as four lambs per year. Each sheep gives about 3½ lbs. of wool, and from 16 to 22 lbs. of tallow. Shearing takes place three times a-year. This breed is to be found in the whole of the central and in almost the whole of the northern districts of Russia.

2. The Romanoff sheep, principally in the province of Yaroslaf, but also to be found at Saratof, Moscow, and Poltava. Supposed to be a cross between the common Russian and Silesian sheep. The wool is light grey in colour, with a considerable amount of down. The best are of an even pearly grey, with many hairs 3½ inches long. When taken off, their fleeces separate like the fleece of Merino sheep, and there is a certain amount of oiliness to the touch. The coats made of the skins of these sheep are much valued.

3. Kirghiz sheep, called the Ordynka (from *Orda* or Horde), are driven in from

the Khirghiz Steppes in spring, and are exchanged, principally by the merchants of Rostoff, for grain and other merchandize. They are pastured until the autumn and then sold. Their size is great, and their tails alone yield nearly 30 lbs. of fat. The wool is of a yellowish-white colour, and frequently reddish. It is only fit for felt, being so weak as to be unfit even for making up into winter coats.

4. The Circassian breed resembles the Kirghizian, but is somewhat smaller. The wool is strong, curly, and of various colours—white, black, grey, and brown. It is only used in the manufacture of army cloth. This breed was introduced by Peter the Great from the Caucasus, in 1722. Having been mingled with the ordinary Russian sheep, it prevails in the country of the Cossacks of the Don, in New Russia and the Ukraine. The yield of wool is about 8 lbs.

5. The Tsigai sheep, found chiefly in Bessarabia, yields a strong elastic wool $3\frac{1}{2}$ inches in length. It is used partly in making army cloth, but the greatest part is exported by way of Odessa.

6. The fleece of the Don sheep is $2\frac{3}{4}$ to $4\frac{1}{4}$ inches long, soft, glossy, and rather thicker at the extremities. The wool is generally dry, and has little sweat or grease. The quality is unequal, and is principally worked up into army cloths. The Don lambs' wool is much esteemed for its softness; it is shorter than the ordinary Don wool, for the lambs born in spring are shorn in June, while the sheep are only deprived of their fleece in autumn.

7. There is another breed of sheep in the country of the Don Cossacks, and in the province of Voronej, of which the wool is $5\frac{1}{4}$ to $12\frac{1}{4}$ inches long. This wool is combed in Moscow, and a great quantity of it is exported.

8. The Reshetilof sheep in the province of Poltava.

9. The Karachef breed with its white, shiny, rather long wool, which forms down in the wild state of the sheep. It comes from the Caucasus. If the breed were a little improved, it is supposed that it might equal the Leicester breed. The fleece attracted much attention at the first Great Exhibition in London.

10. The Oesel sheep in Livonia with a smooth, thin or long wool, from a merino breed imported from the Aland Islands.

There are great many other breeds of native sheep, but the subject has not been much studied in Russia, and there is, therefore, but little information respecting them.

In Russia, the principal and most valuable product of the sheep is their fat, the next is their flesh, and lastly their wool.

The wool of the greater part of the native Russian sheep is unfit for manufacturing purposes, or at all events can only be made into the coarsest description of cloth.

It has already been stated that frequent attempts have been made to improve the native breeds. The first successful attempt at breeding merino sheep was made in the beginning of the present century, in the southern provinces of Russia. The fertile plains between the Bug and the Dniester were early singled out by the Russian Government as the locality best adapted for sheep farming on a large scale. In 1804 two French refugees introduced into the Crimea a large flock of merinos, brought direct from Spain. They afterwards introduced a flock of "Electoral" sheep from Saxony, under contract with the Government. Two sheep farms were established about the same time near Odessa, under a large grant of land from the Government. By an Ukase of the 5th May, 1805, the exportation of fine wool (not under 80*s*. per cwt.) was permitted on payment of a duty of 4*s*. per cwt. This measure greatly promoted the object. The merino sheep were soon spread over the whole of the Ukraine country, and even further east to the Ural, and now form the principal source of riches of the province of New Russia.

The breeding of fine wool sheep also made great progress in the Baltic provinces, under grants of land and subsidies from the Government. It is but slightly developed in Central Russia, where local conditions are less favourable. Merino sheep have been introduced on a small scale in the most distant parts of Siberia; but as there are no manufactories to profit by them, there is not much advantage derived.

The total number of merino sheep in Russia was estimated in 1859 at 8,000,000 heads. Some of the farms in the south number more than 20,000 heads each. The shearing of the merino sheep takes place generally in the month of May. The washing is very badly conducted, and the sorting is still worse. A pud (36 lbs.) of Russian wool, at 91*s*. the cwt., will only yield $12\frac{1}{4}$ lbs. of wool when washed, which raises the price of the wool when ready for manufacture to 13*l*. 13*s*. per cwt. The

great wool sales take place three times a-year—at the Trinity fair, Kharkoff; at the Peter and Paul fair, Ekaterinoslaf; and at the Elijah fair, held at Poltava; the first being most considered. The transactions at these fairs are all for Merino wool, very little common Russian wool being brought to them. The latter is bought almost by handfulls from the peasants, a pound or two at the time being exchanged for a pound of salt, or for some other necessary article of consumption. It passes through two or three hands before it reaches the wholesale or "guild" merchant, who sells it at 25*s.* to 50*s.* per cwt.

The quantity of wool exported from Russian harbours in 1864 amounted to 22,000 tons, valued at 2,538,000*l.*, or about 115*l.* per ton. The largest customer for this wool is Great Britain, which imported in 1864 more than 12,000 tons of the above quantity, the rest going principally to Austria, Prussia, and France.

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Appendix (F).

Notes on Tea, Tallow, Leather, and Bronze.*

(By T. Michell, Attaché to Her Majesty's Embassy at St. Petersburg.

1. *Notes on the Tea Trade in Russia.*

NO stronger evidence than that afforded by the present state of the tea trade of Russia could possibly be adduced to show how far the principles of free trade are from injuring even the most special interests.

The whole commerce of Russia with China was, from its commencement, centered at the town of Kiakhta, on the Russo-Chinese frontier. All the tea lawfully imported into Russia was there bartered for Russian cloth and other manufactures, while the introduction of sea-borne tea was strictly prohibited. The tea trade was, next to the farming of the revenue from the sale of spirits, the largest monopoly in the Empire. The duty levied on this article of consumption is the principal item in the Customs revenue, and the importance of the trade is in fact so great that the prices and quantities of tea imported govern, to this day, the prices of most commodities at the great fair of Nijni Novgorod.

By an ukase issued in 1861 this important monopoly was abolished. The importation of tea is now permitted, both by sea and by land, on payment of a duty of 35 copecks per Russian pound (1*s*. 0½*d*. per lb. English) on common black tea and brick tea, and of 50 copecks per pound (1*s*. 6*d*. per lb. English) on flowery, green, and yellow teas.

This measure was necessitated by the increasing amount of fraudulent importation of Canton tea under a prohibitive Tariff, which was found to protect the Kiakhta merchants to no greater degree than high duties on manufacture now protect Russian industry. While the Kiakhta merchants, thanks to the prohibitive Tariff, could keep up the price of their common black tea at a *minimum* of 9*s*. the pound, the smuggler could sell his tea throughout the central parts of the Empire at a maximum of 3*s*. per pound. The retail traders had a large share of the advantages in the difference of price; they either sold the smuggled Canton tea as Kiakhta tea or mixed it with the latter in a large proportion. The public suffered, and the State was defrauded of a large revenue solely for the benefit of the town of Kiakhta and of the manufacturers of the cloth *which the Chinese actually purchased considerably below its cost of production*, the high price commanded by the tea enabling the Kiakhta merchants to burden it with the loss on the cloth.

There was the same outcry on the part of the Kiakhta merchants as there is now on the part of the manufacturers who dread a reduction of the Tariff. In fact, the case of the former was much more serious than is that of the latter. The Kiakhta trade was ostensibly a close monopoly, while manufacturers are but protected. The fair of Nijni Novgorod, the manufacturers of light cloth and plush for China, the entire town of Kiakhta, the political relations between Russia and China, were all involved in the measure which the Imperial Government announced in 1861; and what has been the result?

The accompanying Table, compiled from Russian official Returns, shows the condition of the trade before and after the suppression of the monopoly. The two years for which we have returns are scarcely sufficient to enable us to appreciate to

* Derived principally from Russian journals and other publications.

its full extent the effect of this important measure. The figures at all events give this result—that the legal importation of tea into Russia was increased by about 8,500,000 pounds (Russian) immediately the new law came into operation, while the importation through Kiakhta fell only 1,500,000 pounds in 1862 and about 2,000,000 pounds more in 1863, a falling off that is chiefly attributable to the excessive importation of tea from Europe in 1862.

TABLE showing the State of the Tea Trade in Russia.

	From Asia.								From Europe.		Grand Total Lbs.	Total Duty.
	Kiakhta.		Orenburg and Siberian Line.		Trans-Caucasus.		Total Lbs.	Total Duty.	Lbs.	Duty.		
	Lbs.	Duty.	Lbs.	Duty.	Lbs.	Duty.						
		Roubles.		Roubles.		Roubles.		Roubles.		Roubles.		Roubles.
1859 ...	17,827,000	5,754,000*	346,000	70,000	...	...	18,173,000	5,824,000	...	...	18,173,000	5,824,000
1860 ...	18,143,000	5,931,000	332,000	107,000	...	...	18,475,000	6,038,000	...	...	18,475,000	6,038,000
1861 ...	19,797,000	4,590,000†	539,000	80,000	...	...	20,336,000	4,670,000	...	...	20,336,000	4,670,000
1862 ...	18,231,000	2,359,000	812,000	107,000	121,000	36,000‡	19,164,000	2,502,000	9,721,000	3,291,000	28,885,000	5,793,000
1863 ...	16,523,000	1,952,000	636,000	82,000	157,000	56,000	17,316,000	2,090,000	11,327,000	3,390,000	28,643,000	5,480,000
1864 ...	No Returns for Asiatic Trade.								9,571,000	2,642,000	...	...

* The duty on tea imported from Asia was 70 copecks per lb. for flowery, green, and yellow tea; 40 copecks per lb. for black tea, and 6 copecks for brick tea.

† Duty on tea imported from Europe, fixed 30 March (11 April), 1861; by sea, 65 copecks for flowery tea, by land 60 copecks: by sea, 35 copecks for common black tea, by land, 30 copecks; and 5 copecks per lb. for brick tea. Duty on tea imported from Asia, fixed 30 March (11 April), 1861, at 40 copecks per lb., for superior tea, 15 copecks for common black, and 2 copecks for brick tea.

‡ Duty on tea in Trans-Caucasus fixed $\frac{1}{13}$ March, 1862, by sea, 65 copecks for flowery, green, and yellow tea, and 35 copecks for black tea; by land, 60 copecks for flowery, green, and yellow tea, and 30 copecks for black tea.

N.B.—The duty on tea imported at Russian Custom-houses in Europe is now 50 copecks per lb. (1*s.* 6*d.*) on flowery, green, and yellow tea, and 35 copecks on black tea (1*s.* 0½*d.*), both by sea and by land.

It is natural that for the first few years speculation in tea should be made very much at hap-hazard, there being no sufficient data for determining the extent of the demand. The duty on tea levied by the Russian Government amounted to almost the same sum in 1863 as in 1859; for notwithstanding the increased importation, the reduction of the rates of duty, both on Kiakhta and sea-borne tea, caused very little fluctuation in the total amount levied.

Recent accounts from Kiakhta represent the town to be in a most flourishing condition, notwithstanding the evil prognostications of protectionists. What more can be expected from free trade principles than this: the town which held the monopoly still in a highly prosperous state; tea sold at a third of its former price; legal importation increased 42 per cent., and with it the exportation of Russian products; and all this with no loss to the revenue, but, on the contrary, with a great prospective gain.

2. *Notes on Tallow and the Manufacture of Candles.*

It is a striking fact, and one that exemplifies well the pernicious effect of protecting manufactures at the expense of other interests, that there was only one exhibitor of tallow at Moscow. Tallow is one of the principal articles of export from Russia, and in reality conduces more to the prosperity of the country than probably all the manufactures of Russia put together, and yet only one cask of P. Y. C. was deemed worthy of a place at the Exhibition of Russian Industry in Moscow.* The only conclusion to be drawn from such an absence of tallow exhibitors, is that the art is still in its rude primitive state, and that no improvements have been made in it that would secure honourable mention or a medal. Since 1856, Russia has, to a great extent, lost the monopoly of supplying Europe with tallow. The Crimean War stimulated the exportation of tallow from South America and Australia, and at its close the tallow speculators of Russia, still thinking they held the old monopoly, kept up its price artificially, and while in many cases ruining themselves, drove the consumers of tallow still more into other markets. In these, improved processes of melting have been adopted, and particularly in America, greatly to the advantage of the important article of commerce, both in quality and in price.

The tallow trade of Russia has in the mean time retrogressed. No attention, or very little, has been paid to the improvement of native breeds of cattle, which have been left to the Steppe and the plague. Hundreds of thousands of heads have perished in this way, and the natural consequence is that the supply of tallow has been greatly reduced. While the cattle of the Steppes are still being swept off by disease in herds, the peasantry are not able to do much in the direction of improving their cattle, and the want of capital equally prevents the large landed proprietors from introducing a more extended and improved grazing of cattle.

* Iron, leather, and many other half-manufactured materials were exhibited. Tallow-melting is equally a branch of industry, and should have been represented also.

The cattle raised by the peasantry of Russia never gave much tallow, being of the leanest kind, and the murrain has made great havoc even amongst these—the last resource of the tallow-melters.

It is therefore not a matter of astonishment that the trade of Russia with foreign countries in tallow has fallen to nearly half its former extent; a decrease which is, of course, but little made up by a greater exportation of candles, which amounted in 1864 to 800 tons.

The home consumption of tallow has been, at the same time, on the increase. The manufacture of stearine, tallow, and other descriptions of candles is greatly increasing in Russia, and with it the price of the raw material. The total quantity of stearine candles produced in Russia is only about 7,250 tons, or about 2,500 tons below the production of France. The total quantity of tallow candles manufactured in Russia is estimated at 96,500 tons.

There were only twelve exhibitors of stearine candles at Moscow, of whom three were from Poland. The principal manufactory of stearine candles in Russia and in the world (the Nevsky Works at St. Petersburg) belongs to an English Company. The prices of the stearine candles exhibited at Moscow ranged between 7*d*. and 9*d*.

3. *Notes on the Manufacture of Leather.*

One of the most natural and ancient branches of industry in Russia is that of dressing leather and manufacturing it into boots, trunks, and other useful articles. Russia leather is a term synonymous in Europe with perfection in everything appertaining to that branch of manufacture.

Large quantities of leather are annually exported, and of course the protective duty (82*s*. 9*d*. per cwt.) on foreign leather is scarcely necessary to prevent its importation in large quantities into Russia. But is it generally known that good leather made up into articles of dress or use is almost unknown to the bulk of the Russian public? The "Russia leather," of which we hear so much, is almost exclusively prepared out of Russia, although from the Russian raw material, and the leather consumed in a manufactured state in Russia is actually far inferior to that used in Great Britain or France.

There is certainly no country where boots and shoes can be so cheaply purchased as in Russia, but their inferiority in point of durability makes them the dearest boots in the world; and it is the same with trunks, bags, and all the numerous articles made of leather in Russia. The following observations on the subject of the manufacture of leather in Russia, made by Mr. Fedchenko, in a weekly Review published at Moscow, will explain the cause of such an apparent anomaly:—

"Russia is rich both in the raw material and in the number of its tanneries; there are entire villages, particularly in the provinces of Vladimir, Nijégorod, and Tver, occupied in the preparation and manufacture of leather. But how many of these numerous tanneries are worthy of any notice in respect to the quality of the article which they produce? How much of our raw material is made up into good, durable articles of consumption? The good tanneries are, indeed, rare in Russia, and may be counted up on the fingers.

"Cheapness is the principal evil that now injures our manufacture of leather, as it does certain other branches of industry. This is no paradox, for we shall prove the truth of the assertion. The cheapness of goods produced is a beneficial result of industry only in the case where it is attained by regular competition, by conscientious proceedings, by the development, improvement, and cheapening of the mode of production. In Russia, however, that cheapness is most frequently the result of an irregular course of trade; the wholesale and the retail merchant requires the goods to be cheap; he is not anxious for quality but for cheapness; he knows full well that the only cheap goods in Russia are simply rubbish. The trader is therefore all the more delighted to have at his call hundreds of small manufacturers who are ready to work at any price he chooses to give. It is the industries pursued in the villages of Russia that meet this demand. Having purchased the raw material for almost 'next to nothing,' and working it up with the assistance of his own family, the peasant does not seek to excel in the quality of his goods, for he knows that he can sell his rubbish at any time, and that the middleman will not give him a higher price for a better article. And this is the way the fairs are filled with worthless productions that find a most ready sale. Even the small leather tanners established in towns follow the example of the villagers, having neither the desire nor the means of competing in the quality of production.

"The contracts executed for Government encourage the tendency to produce cheaply, though not well. Of late, however, there is a certain amount of control exercised over the contractors by the troops whom they supply. It is, nevertheless, the rustic manufacturers and the small tanners that run down the prices of goods, and raise that of the raw material, to the prejudice of the better class of manufacturers.

"But in pointing out the defects of the rustic industries, we do not mean to say that those industries constitute an evil which should be removed. On the contrary, in showing those imperfections, we desire to see the development and improvement of the village industries, so indigenous to Russia, and so beneficial in their bearing on the national well-being. The degraded state of our village industries follows that of our wholesale and retail trade, and is, in fact, a direct consequence of it; the trade, at the same time, could not exist without consumers, and are, therefore, not the consumers and the buyers rather to be blamed? They prefer cheap articles, and cannot afford to give a good price. There is no doubt that the increasing well-being of the country will best of all remedy the present low state of manufactures in villages. The people will soon get accustomed to consume constantly the articles which they so recently purchased as novelties, more at the call of fashion than at that of actual necessity. The people will begin to demand a better article, and will give a better price for it; an extra penny will be well repaid by the greater durability of the article purchased."

M. Fedchenko, after stating that some manufacturers are now endeavouring to remedy the evil of which he complains, sums up his review of the Leather Department at the Moscow Exhibition in the following terms:—

"1. The great bulk of the tanned leather and of the manufactures in leather is yet far from that degree of perfection which would make us proud of this branch of industry. It does not correspond with the resources of Russia, so rich both in the raw material and in the cheapness of labour.

"2. Fine, dear, and fashionable articles in leather are principally imported from abroad ready made, or they are made up in Russia out of foreign materials.

"3. There are a few manufacturers capable of competing with foreign articles, who are now making way in Russia; but unfortunately their number is small.

"4. Our home competition, placed by our system of trading in the most abnormal condition, is not capable of improving the state of production in Russia. We have to desire, under certain protective conditions, more rational than those in force, a more active competition with foreign manufactures.

"5. When a more regular competition is established, we can hope for a perfection of our production, and for a normal and regular cheapening of articles of consumption; it will also give an incitement to the better preparation of the raw material, now so mercilessly spoilt by ignorant butchers.

"6. The manufacturers whose object has been to work cheap, but not durable, goods, have no future. They only exist because there is no reasonable competition, and also because the level of the national well-being is as yet too low. Their establishments are more injurious than useful to the national economy; and therefore the sooner they alter their strange character, the better will it be both for the country and for industry."

4. *Notes on the Manufacture of Bronzes.*

The manufacture of bronze was commenced about the year 1820, prior to which French bronzes, imported free of duty, held possession of the market. It has ever since been in the hands of foreigners, and no Russian manufacturer has exhibited bronzes at the eleven exhibitions that have been held in Russia. The art has not attained any great development. The Russian public affect everything that is foreign, and the market for home productions being restricted, the price at which the latter are sold is not within the reach of the poorer classes. Nor is there any division of labour, as in France, at Russian bronze manufactories, where the same establishment, and the same workmen, undertake the casting of monuments as well as the manufacture of candlesticks. The dearth of skilled workmen is likewise sensibly felt in this branch of industry, where so much depends upon taste and design.

The materials employed in bronze casting are probably cheaper than in other countries. Their prices are as follows:—Copper, 4*l.* 19*s.* 3*d.* per cwt.; zinc, (brought chiefly from Belgium and Breslau in Prussia), 1*l.* 12*s.* 1*d.* per cwt.; tin, 7*l.* 0*s.* 9*d.* to 7*l.* 9*s.* 0*d.* per cwt.; lead, 1*l.* 0*s.* 8*d.* to 1*l.* 4*s.* 9*d.* per cwt.

The wages of the workmen range between 2*s.* 8*d.* and 5*s.* 4*d.* per day.

The manufacture of bronze in Russia is protected by a duty of 6*l.* 12*s.* 5*d.* per cwt., with an addition of 10 per cent. In the Caucasian ports of the Black Sea, it is reduced to 4*l.* 2*s.* 9*d.* per cwt.

There are about thirteen bronze manufactories in Russia, of which twelve are at St. Petersburg and one in Moscow. They produce collectively bronzes of the value of 200,000*l.* per annum, and give employment to about 5,000 workmen.

The declared importation of bronzes from France amounted in 1858 to 8,645*l.*

The imitation of metallic bronzes is pursued on a large scale, especially in the form of lamps. The castings are widely imported at a duty of 10*s.* 8*d.* per cwt., and bronzed at St. Petersburg. The shops are also full of French imitation bronzes.

In 1863 there were thirteen manufactories of bronzes, producing 708,444 rubles (94,454*l.*), and employing 613 men.

REFORM
PALL MALL

Appendix (G).

Extracts from the Russian Press on the subject of Free Trade and Protection.

(Translated by T. Michell.)

IN a leading article dated July $\frac{10}{22}$, 1865, the "Golos" or "Voice," published at St. Petersburg, discusses the political effect of protection in the following terms:—

Commercial policy governs to a great extent international relations, and has a great influence on the internal organization of States. Its importance is recognized in most civilized countries, and it is the endeavour of all enlightened statesmen to promote prosperity by attention to matters of commerce.

But those endeavours are not always successful. What is it that makes them sometimes ineffectual; sometimes even injurious? Some say that it is the want of preliminary study, and of facts on which those endeavours should always be based. It is supposed by some that it is sufficient to examine a subject thoroughly in order to draw from it such indications as will afford the means of mending matters, and of so regulating them as to secure their regular progress for the future. But while we fully acknowledge the necessity of a careful study of facts, we think there is something more that is requisite for a proper solution of all questions, and that is *principle of action,* based on correct theory, and supported by reasonable and intelligible practice. Action without principle is the same as action without reason or knowledge—there is much noise and breakage, but little good, and a great waste of strength.

Those principles are only to be deduced from science, which is the source of all human progress and improvement. Those who say "we do not want theory, we are tired of it," might as well say "we do not want reason, we are tired of it!" The men or the people who repeat such a phrase are in a state of decay.

We have been led to make these observations by a perusal of the Memorandum of the Zollverein, which has been called by the highly patriotic Exchange of St. Petersburg, an "uncalled-for interference in our affairs;" as if we can prevent people from expressing opinions, and as if advice or thoughts freely given can be called interference!

Certain defects and unhealthy symptoms in our commercial legislation are pointed out in that Memorandum. Their existence has not been denied even by those who have replied to it; but there is a great difference of opinion as to the method of cure. In most of the replies, the treatment of the disorder is left to the patient, who, it is affirmed, is the best judge of his own case, the medical art being only good for Germans, and drugs mere rubbish. How all this reminds us of our poor benighted sick in the villages, and how the doctrines of our protectionists remind us of sorcerers who cure disease by patriotic incantations, by warm faith in miracles, and by a persecution of the laws of science. No; we say that the disease having been ascertained to be an organic derangement, the true remedy should be sought, not in the old traditions of a "state of stagnation," but in those principles which have proved effectual in the disorders of the rest of the human race; principles which may be adopted slowly, if you like, but firmly, without any concessions.

Those principles are already recognized in other spheres of our national life, and are now in full operation. . . . All the principles of social organization

are much more intimately connected than would appear at first sight, or than so-called practical men imagine. Having once admitted the principle of personal civil liberty, it is necessary also to admit economic freedom, which is only one of the phases of the same social state. Russian society was placed in that condition when a population, numbering 20,000,000 was endowed with civil rights. Economic liberty, the right of freely disposing of one's own labour, and of enjoying its fruits, should follow, just as equality before the law and political privileges have followed Emancipation. Exceptional or partial facts cannot avert an organic change in our commercial policy, no more than trades' corporations could be retained after the abolition of feudalism.

At the present time the principles of protection obtain everywhere in Russia and have official support, but it is not necessary to be a prophet to foretell a change; and in reality, what is protection to trade and industry but a relic of the old principle of separation of interests? The nobleman could not in olden days engage in industry without losing his rights of nobility, nor, on the other hand, was the citizen entitled to carry arms. . . . Protection separates the interests of the producer and the consumer, giving advantages to some industries over others, and in lieu of the guilds of old creates a manufacturing caste, which is supposed to be a kind of middle class, but which only seeks to gain a paramount financial, if not political power in the State.

The introduction of the protective system into Russia followed a different order of things than in Western Europe; there the system came as an improvement on the heavy forms of antiquity, but in Russia it came as a novelty, with no foundation in the history of the country.

In Russia it was necessary to create an industry for the protective system, an industry which had never previously existed, and which would not interfere very palpably with interests already established. That industry was directed to the production of articles of luxury, inaccessible to the mass of the people, but creating a certain amount of show, and supported by the wealthy classes. Almost the whole of our manufacturing industry is devoted to it, and the present Exhibition at Moscow is impressed with the same character. Carpets, velvets, and silver-plate meet the eye, but not cheapness, the principal condition of a wide normal consumption. What is the meaning of this, analysed by science? Is it not evidence that our manufacturing industry in those branches which are protected by the Tariff is not calculated to satisfy the demands of the masses, and is only destined for exceptional consumption by the easier and more educated classes, which, after all, are not numerous?

It is a fact that the greater part of our population, the lower orders, are content with the coarse productions of their own homes; from want of development and owing to the dearness of our manufactures (which impedes that development) the use of pocket handkerchiefs is not yet known; the products of the protected industries are almost exclusively consumed by the upper classes. But we know the position in which our upper classes now are—they make loud complaint of want of money; and if those complaints are well founded, what will become of our production and our consumption? Our manufacturers will be forced to direct their attention to the production of cheap articles, incompatible with a protective Tariff. Economical considerations should therefore lead to its removal, and, still more, in the eyes of those who have eyes in order to see, is the abolition of the protective Tariff necessitated by political considerations, properly understood.

2. The "St. Petersburg Gazette," in reviewing the Trade Returns for 1864, points out that while Russia exported in that year raw products to the extent of nearly 150,000,000 silver rubles (20,000,000*l.*), the value of the industrial products exported only amounted to 15,000,000 or 20,000,000 silver rubles (2,000,000*l.* to 2,500,000*l.*), which included potash, tar, train-oil, butter, linseed oil, and metals in an unmanufactured state. It regrets to see that the manufacturing and industrial labour of Russia is in no demand in other countries.

"What," asks that journal, "will free-traders say to this? Is it really expected that a country which only supplies the international market with raw produce can compete with advantage in that market, after having been entirely opened up to foreign competition? Can the national wealth of any country be developed, or can

it secure well-being, while it exports nothing but raw produce? Will not the fecundation and development of our national labour be cut down at the very root by the introduction of any measures which would condemn the Russian people to occupations, if not exclusively, at all events principally, of an agricultural nature?"

The same journal reviewed (on the $\frac{30\text{th May}}{11\text{th June}}$, 1865) some of the answers given by commercial bodies in Russia to the proposal on the part of the Zollverein for a Commercial Treaty with Russia. It attacks the answer given by the Commercial Council of Odessa, which alone approves the unconditional acceptance of the terms proposed by the Zollverein. The Review finds fault with the merchants of Odessa for giving no proofs or evidence in support of their assertion that a free trade policy would be beneficial to Russia; the benefits being assumed, not proved. At the same time the Gazette points out that the south of Russia has interests very opposite to those of the rest of the Empire, Odessa and the other southern ports being the chief points on the Russian seaboard for the exportation of cereals. "The south of Russia is almost in the same position as the Southern States of the American Union." The tone of the article will be best seen from the following extract:—

"But we repeat that even if the wishes of the merchants of Odessa coincided with the German Memorandum, their reply was not such as should have been given to a question of State. We can only call the whole answer a 'phrase,' unfruitful liberalism, deprived of any 'bouquet' that the nose can discover, and imbued throughout with an utter indifference to the matter in point. Why then, after that, should there be any agitation about the bureaucratic method of solving questions relating to the most vital interests of industry and trade, when those whom they most concern will not give themselves the trouble to think properly on the subject, and even openly suggest that others—those very bureaucrats—should think for them."

At the same time, the indifference of the press is thus explained:—"Any newspaper article would have treated the subject more seriously. The journals have indeed acted very conscientiously in this respect; they have not attempted to solve a question which is beyond them; there has not been a single article in our journals examining the proposals of the Prussian Chambers of Commerce; they have been mute and are still silent because those to whom the subject refers more closely *take fright* at any rumours that reach them, or compel their workmen to present petitions to the Government 'that Russia should not be joined to the Zollverein,' in which it is proved that in case of such a union forty millions of the population of Russia would die of hunger; or else they simply shut up their factories in expectation of an inevitable disaster. But notwithstanding that panic, the indirect petitions through their workmen, or the premature desertion of a field on which they have not yet been beaten, those men so deeply interested preserve an unbroken silence. . . . Our press is silent because it has not the co-operation of special practical men, and the rest have not the means of sifting the question thoroughly."

Subsequently the "St. Petersburg Gazette" entered into a long controversy with the "Voice" (the reputed organ of the governing bureaucratic party in Russia), which published a great number of leading articles in favour of a free trade policy. The dispute related chiefly to the meaning and scope of certain words and rival theories, but the fundamentul objection of the "Gazette" is contained in the following extract:—

"We do not defend the protective system as a theoretical and constant principle, nor do we, for instance, advise England to adopt a high Tariff, or France to abolish her Commercial Treaties. We only affirm that the time has not yet come for Russia to enter upon a free trade policy, and we affirm this, firstly, on the strength of the economical state of the country; and, secondly, on the ground that free trade is not, in our opinion, a more constant and theoretical principle than is the system of protection."

The reasons cited by the "Gazette" in support of the doctrine that Russia is not yet prepared for the adoption of free trade measures, are given at length in an article published on the $\frac{11\text{th}}{23\text{rd}}$ July:—

"Is it time," asks the "St. Petersburg Gazette," "that we should proceed to lower the Tariff? Before answering the question we must first of all inquire what are the symptoms of ripeness for such a measure in the national life; what data will enable us to decide that question on the ground of firm, indisputable, economical deductions, not on that of simple conviction; that it is, at all events, better to give a little more liberty to commerce; that it is useful to stir up the national industry?

We do not dispute whether it would be useful, but who can prove that such a step would be timely? Who has felt the secret, not generally perceptible pulse of national activity? Who has recorded those pulsations, and when are the results to be laid before society?

"The following are the symptoms that may enable us to judge, in respect to a given country, of its ripeness for the adoption of free trade:—

"1. Correct data that her industry is employing more hands, has increased its returns, and that the wages of factory labour have risen.

"2. That the country presents in itself sufficient and sure means of converting that portion of the national capital and labour which will be liberated by the reduction of branches of national industry unable to stand against foreign competition.

"3. That the preliminary reduction of the Tariff (as for instance in 1857) exercised a beneficial influence, not only in the negative sense that it did not ruin Russian industry, but that it generally increased consumption within the Empire, and particularly the exportation of articles of immediate use; for it is only thus that a nation retains to its benefit the total amount of labour in that branch in which, from natural causes, it produces articles cheaper than in others, and which it can consequently offer in exchange for products more expensively manufactured at home.

"If anybody is in possession of these facts in relation either to the whole of Russia or to a particular locality, to the whole of Russian industry or to any separate branch of it, let him come forward and disclose them for the public good. There is no official data for the purpose; the want of full and reliable information on the present state of national production induced the Board of Inland Trade and Manufactures in 1862 to publish all the materials then available in a 'Review of the several branches of manufacturing industry in Russia.'

"But, although that work is the last authority yet published, it would be idle to seek in it any answer to our questions. Perhaps the mercantile classes will take upon themselves the collection of the data, instead of dealing in generalities which convince no one. The question would then be placed in a clear light. As far, however, as an outside observer can judge superficially from a whole series of facts taken from every day life, there is not a single symptom to indicate the imperative necessity of lowering the Tariff. We say this in the form of a general conclusion, because, we repeat it, we have not sufficient data for examining each branch of industry in detail.

"But we do not pretend to affirm that articles of consumption which Russia cannot produce, such as tea, coffee, even wines and colonial goods generally, with which Nature does not supply us (and which enter into public consumption without any considerable preliminary working up), should be subjected to the old scale of duties. We do not affirm that there are no branches whatever of industry where the duties could be lowered without injury to home industry. When we are shown by dint of figures that that industry employs a certain number of hands and a certain amount of capital, and that on being liberated these would find employment elsewhere, we shall agree that such an exception is opportune. But we can accept no reductions or exceptions merely on trust, from a general inclination towards free trade measures, or in the hope that the State will not be ruined by it."

Appendix (H).

Account of a Dinner given by Russian Manufacturers at Moscow, $\frac{\text{June 24}}{\text{July 6}}$, 1865, and Comments in the Press upon it.

"*Moscow Gazette*," $\frac{\text{June 26}}{\text{July 8}}$, 1865.

YESTERDAY the exhibitors and Organizing Committee of the Exhibition of Manufacturers gave a dinner in honour of the Military Governor-General of Moscow. This dinner, in every way sumptuous, was attended by 212 persons. After loyal and other toasts had been drank, Mr. A. Heesen, an exhibitor, made the following speech:—

"This is a family gathering of Russian industry. If the progress of industry is to be measured at Exhibitions, we may now ask, What advance have we made in Russia? But it is far more difficult to make questions than to reply to them, especially when those questions relate to such a complicated question as the industry of the most extensive Empire in the world; in which, moreover, the means of communication are yet so defective that the carriage of goods from many parts of the country to Moscow is far more difficult and expensive than carriage from London or even New York. Unfortunately, some branches of industry are but feebly represented at the Exhibition, especially if we consider how strongly industrial action is developed in some parts of Russia among the peasantry. However, not only a superficial survey of the Exhibition, but even a special examination of some of the departments, will show that many branches of Russian industry are improving, and that some of them are now quite as perfect as in foreign countries. This is all the more honourable to the manufacturers since everybody knows how difficult it is to teach the workmen, even the best of them, an exact fulfilment of their duties. The old happy-go-lucky and 'any how' style still has an evident part both in private life and in industry. The intellectual and moral development of the Russian people will greatly facilitate the development of industry. Another circumstance which greatly injures the prospects of Russian manufacturers is the immense number of holydays, which take away above fifty days more than abroad, so that from this alone about 20 per cent. is lost on all industrial enterprises.

"If, on the one hand, notwithstanding all these drawbacks, some of our branches of industry are not inferior to foreign manufactures, it is, on the other, to be confessed that there is very little independence in Russian industry. The Russians are very apt to imitate and adapt, to simplify and even to perfect, but they have added little to technical science. But the manufacturers are not alone to blame; the want of independence is observable in almost all branches of knowledge, and it results from the comparatively low level of scientific education yet attained in Russia, which is at the same time the youngest member of the European family. Besides, imitation always precedes independent labour.

[Here he spoke of the necessity of a good classical education as a basis.]

"Formerly the sons of manufacturers were educated for the Army, or entered the Civil service. Thus the capital amassed by the father was frequently squandered by the son; but now there is a decided tendency to embark in trade, and to follow the lucrative occupation of a manufacturer."

The speech was listened to with much attention and approval . . . . . Nor were our English guests forgotten. In replying to a toast in their honour, Mr. Michell, Attaché to the British Embassy, spoke as follows in the Russian anguage:—

'Gentlemen,

"Although I have not come prepared with a speech, I cannot refrain from rising to express, on the part of my fellow-countrymen and myself, firstly, our deep

gratitude for the cordial reception which you have given us, and secondly, our sincere congratulations on the success of Russian industry which we have witnessed at your Exhibition.

"Believe me, Gentlemen, it is without the slightest feelings of jealousy that we view that success. Englishmen have unfortunately been always represented as mindful only of their own interests; and we, in particular, have been set up before some of you as perfidious agents of England, going about seeking to destroy your prosperity, and envious of your industrial achievements.

"As far as England is concerned, I do not see how our interests can be in the least opposite. Both countries are mutually interested in each other's well-being; and, far from England seeking selfishly only her own advantage, she is in reality deeply interested in the welfare and prosperity of the countries around her. Why, we now buy locomotives from the French, and should be ready to purchase any goods that you can produce cheaper and better than ourselves. As for the Englishmen among you to-day, they are only peaceful citizens like yourselves, eager, I confess it, to trade. We have come here to learn. We heard of your Exhibition, and have come to study the progress you have made in manufacturing industry.

"The gentlemen on my left, who are more specially acquainted with the subject than myself, have carefully inspected your goods, and I can assure you they are surprised and delighted to find that you have attained so much perfection. In the case of several articles, neither the price nor the quality need fear the effect of foreign competition. In the case of others, most of you have remarked that they fall short of that stage of development at which you would wish to see them.

"I do not hesitate to say that that perfection will never be attained while you fence yourselves in with a wall suggestive of the Great Wall of China. What you want is foreign competition in the higher branches of manufacture with a view to the improvement of your own. But you have not the resolution to submit to it, although you know well that your present high Tariff does not protect you from an immense amount of smuggling, and that therefore, by your present system, you are only protecting and encouraging fraudulent importation.

"Gentlemen, allow me to say sincerely and in all honesty that all you require is that self-confidence and self-reliance of which your great journalist, M. Katkoff, so frequently speaks. Look at this matter calmly, dispassionately; make your calculations as men of business, and you will find that the opinions and the advice of Englishmen are right.

"We beg to thank your President, your Committee, and yourselves for your very kind welcome of us at Moscow."

Mr. Gardner, a manufacturer of porcelain, replied in a long and impassioned address to Mr. Michell's speech. He said he did not rise to protest against the principle of Free Trade in general, but against its introduction in Russia at the present time and under present circumstances, when there are no railways nor other convenient and cheap ways of communication; when, owing to a multitude of reasons, there is scarcely any credit to be had in Russia,—or at all events it is to be only obtained at a very high price; when the division of labour scarcely exists in any branch of industry, and when each manufacturer has to prepare even the raw material which he uses. Added to all these unfavourable conditions, the vast extent of Russia renders it almost impossible that she should compete with "small England," intersected in every direction by railways and canals; "where the manufacturer has only to give a whistle, and materials well prepared for use, skilful workmen, and sufficient capital obey the summons." Mr. Gardner gave the result of his own experience, and adduced figures to show how much cheaper the plant and the production of a manufactory is in England, where the manufacturers of china and porcelain may confidently reckon on a return of 11 per cent.; whereas the Russian manufacturer has to be content with 4 per cent. The clay imported from England only comes to *5s.* a cwt. (60 copecks per pud), while clay of home produce from the province of Chernigoff could not be obtained in Moscow at less than *8s. 8d.* per cwt. for ready money.

Having finished his speech Mr. Gardner shook hands with Mr. Michell across the table in token of good-will. He was followed by Mr. Shipof, a large iron manufacturer, who said that in the matter of adopting a free trade policy, it was very desirable to follow the example of England, which during nearly two centuries was under a protective, and in some branches of industry even under a prohibitivs Tariff. It was only, he said, after she had developed her home productions until

she distanced all other nations; after she had built a navy excelling the navies of all other countries; after English mercantile houses had been established all over the world, and when England already governed the markets of the universe; "it is then only that free trade is proposed to us: in other words, we are invited to enter with our feebly developed industry into competition with the powerful industry of England. The conflict is unequal, and it is not difficult to foresee which will be beaten. But give us time to gain strength, and to attain the same degree of perfection as other nations, and then, if you like, open the Custom-houses—we shall not be afraid of anybody." (General approval.)

"At the same time, is it true that England admits the importation of foreign goods without duty or on payment of a small duty? We are frequently told of the celebrated abolition of the corn laws by Sir Robert Peel. But corn is a raw material, and England did well to permit its free importation. Even in Russia there is no duty either on corn or cotton. But just attempt to send to England the spirits that we distil from corn, and you will be made to pay a duty equivalent to 9 rubles the vedro. Export tallow and it will be admitted free of duty, but send stearine candles and you will be made to pay a duty that will prevent you from ever sending them again. In fact, England protects the produce of her manufactures; let us follow her example. I drink to the health of that great people."*

Mr. Shipof concluded amidst much applause. The Company having then retired for dessert and coffee to the spacious garden of the club at which the dinner was given, were next addressed by Mr. S. Sampson Lloyd, Chairman of the United Chamber of Commerce of Great Britain.

After thanking the assembly for the exceedingly kind manner in which his friends and himself had been received in the beautiful old city of Moscow, he continued:—

"We have learnt much since we have been here, and we are surprised at the quality and the beauty of your productions. With the exception of two articles—carpets and ribbons—I have seen nothing which could not compare with English goods. Gentlemen, different nations have different interests. Let each nation take care of its own interests, and follow them in its own way. If you Russians prefer protection, then follow the doctrines of protection. We English are not jealous of it; it is your affair, not ours. But do not forget—if a foreigner may venture to offer these remarks to you—that if different nations have separate interests in some things, the human race is nevertheless (in a large point of view) but one family, in which it is impossible that one large nation can become really rich and prosperous without the other nations deriving some benefit from its prosperity. We English have therefore a most sincere desire that your magnificent Empire may increase in wealth and prosperity. We are sure that your prosperity cannot increase without some few crumbs falling to the share of us poor foreigners. Do not, therefore, be jealous of us, but fearlessly adopt that course which experience and political economy dictate as likely to promote those just objects.

[Mr. Lloyd then invited the Russians to come to the meeting of the British Association at Birmingham.]

"I drink," he concluded, "most heartily to the prosperity of this brave and hospitable people, and above all to the prosperity of Russian commerce."

The "Moscow Gazette" of July 8th, 1865, published the following leading article on the subject:—

The dinner of which we give an account in our columns this day is one of those phases of Moscow life which have general importance. It was given in connection with the Exhibition, and afforded an opportunity for the expression of many views, of which some were unconditionally correct, while others marked the tendencies of those who took part in the entertainment.

* These two statements show forcibly how entirely Russian Protectionist ideas are derived from a misapprehension of facts. Mr. Shipof is evidently not aware that the duty on foreign spirits in Great Britain is, in reality, equal to the excise, the difference of 4 per cent. between the two being the estimated expense of Government supervision incurred by British distillers, and, further, that there is no duty in England on stearine candles. A reduction of the excise on spirits has produced effects so lamentable in Russia as to warn other countries against following such an example. Moreover, were even the Excise and the duties in England lowered on foreign spirits, the brandy and rum of several other countries would be preferred to "Russian vodka." The only duties levied in Great Britain on Russian products are 3*d.* per cwt. (or 3 copecks per pud) on corn and grain, and 1*s.* (about 37 copecks) per load on timber. The former insignificant duty is imposed principally for the purposes of registration; the latter will, probably, soon be reduced.—T. M.

[The article here proceeds to speak with approval of a speech made by Mr. Heesen in favour of educating the masses and imparting classical instruction, as a means of improving the manufactures of the country.]

The question of protection by means of the Tariff was raised by Mr. Michell, Attaché to the British Embassy at St. Petersburg, who came to Moscow in company with two Englishmen with the object of studying the Exhibition. The two gentlemen are Mr. Lloyd, Chairman of the Associated Chamber of Commerce of England, and Mr. Goodman, Chairman, if we mistake not, of the Birmingham Chamber of Commerce.* The Chambers of Commerce of England are institutions that have no connection with the Government; and, moreover, both our commercial guests belong to the Conservative party now in Opposition. The diplomatic mystification of 1863 is more particularly remembered at Moscow. The liveliest sympathy towards the English nation cannot overcome a certain amount of prejudice against the present Government of England, and it would therefore be unjust to blame those who assisted at the dinner for not receiving Mr. Michell's speech on free trade quite in the sense in which it was in all probability meant. At the same time Mr. Michell mentioned the subject of free trade in a cursory manner and in the most general terms, without pointing out the limits to which it should be applied in view of the immense amount of capital embarked in industrial enterprises—which is perfectly intelligible, for in replying to a toast it was difficult to go into details. Lastly, Mr. Michell addressed himself to an audience that consisted almost exclusively of manufacturers, and spoke to them at a time when they were under the influence of the apprehensions created by the well-known Memorandum of the Commercial Congress of Berlin. Conditions more unfavourable to a discussion on free trade could scarcely be found.

Mr. Michell was answered by Messrs. Gardener and Shipof. A public dinner was very nearly merging into the meeting of a political economy society discussing free trade and protection. But M. Shipof concluded his speech with a toast in honour of the British nation; and Mr. Lloyd having said a few sympathetic words about Moscow and the cordial reception which the English travellers had met with, and having expressed his astonishment at the success of Russian industry, added, that each nation had its own interests, and should follow them as it might seem best. Messrs. Lloyd and Goodman came to Moscow without any mission—without even a practical object, and simply from curiosity.

At this unexpected episode observations were very naturally made that will not bear criticism. It is impossible to expect correctness from improvisations; and if we make a few observations on the speech of Mr. D. Shipof, it is only because its text appears in our columns, and hence our silence might imply our approval of it.

Mr. Shipof says that Russia should follow, not the words of free traders, but the example of their country. He added that England during a period of almost two centuries was under a strongly protective and partly a prohibitive Tariff, and thanks to that, developed her internal production to a degree that now makes it profitable to her to preach free trade. This statement is not quite correct. Freedom of commerce is not urged by Englishmen alone, but by the economists of all nations. It is the voice, not of the interests of England, but of science, which has only been fully developed within our times, and which did not exist when English Tariffs were enacted. Freedom of commerce is advocated in the general interest of all countries collectively, and of each country in particular. Political economy demonstrates in terms clear to the understanding that England, like every country, gains nothing, but on the contrary loses much, by protective and prohibitive Tariffs still in force, or only partly repealed. This is not in dissonance with the fact that England attained a high state of prosperity in all branches of industry under a protective system. The fact is explained by the peculiarity of the English protective system, a peculiarity which has not been reproduced in any other country, and consisting in this, that while protecting her industry by high duties, England protected by duties no less elevated the agricultural interests, which from the nature of the products gained a great deal more from protection than did manufactures. The Tariff had only this effect in England—it made living dear; but this was chiefly felt by the foreigners who came to England for a time, and only partly by the poorer classes of England. The landed proprietor paid dearly for manufactures; but he took comparatively a much higher price for his corn. Capital flowed equally to all branches of national production. It was not diverted from the landed interests, which, owing to the duty on corn, offered

* Of the small-arms' trade.—T. M.

similar, if not still greater, advantages than manufacturing industry. We are accustomed to hear that English manufactures are superior to those of the Continent of Europe, but that superiority is far from being so great as that of English over Continental agriculture. England has this advantage over the Continent, that she has long been well-governed, and that her population has in consequence grown more rapidly than that of the rest of Europe. The density of population, in combination with the fertility of the soil, raised the price of corn; but the English growers were unable to supply the demand, and England was obliged to import corn from abroad. It was then that, in order to destroy the competition of foreign corn with that grown at home, the landed classes governing the country imposed a duty on foreign corn. But such relations have existed nowhere except in England; and they cannot more especially exist in agricultural States which produce more corn than is required for internal consumption. Russia is one of those States that export corn, and it therefore cannot in any case follow the example of England, except in a one-sided direction—that is, at the expense of her agricultural interests.

Mr. Shipof is equally incorrect in his definition of the character of international competition in manufactures. He represents that competition as a struggle, and at the same time a struggle for life or death. Nothing can be more erroneous than such a view. It is only an idiot or an enemy of his country that would stand up for a system that might prove a weapon of destruction against any branch whatever of national industry. But no one will have the courage to say that political economy is folly, or that all economists are traitors. And, at the same time, the whole of political economy consists in the doctrines of non-intervention, economical freedom, and, consequently, in that of freedom of trade; whoever does not recognize these first principles of the science may be a very worthy member of society, but certainly not an economist.

Where, then, lies the fault? We are much obliged to Mr. Shipof for making use of some expressions, in speaking of England, which will assist us in pointing out the source of the error. In speaking of England, he mentioned the *prohibitive* Tariff that once existed there, and he also alluded to a *protective* Tariff. At the latter part of his speech he says that England still protects her industry. The two last definitions are very good; they are more clear than the term *patronizing** Tariff, which also implies encouragement. What economist has ever declared himself against a protective or *conservative* Tariff? Political economy preaches non-intervention in economical activity; it affirms that every intervention does harm, and therefore energetically denounces that system which *patronizes* manufactures and creates an artificial demand. Protectionists assure us, on the contrary, that intervention is useful; that bureaucracy, by means of its *chanceries*, can determine more correctly than industry herself the branches that are most beneficial to the country.

On the strength of that assurance, protectionists demand that the Tariff should create new branches of industry, and raise the price of their produce at the expense of the consumers. This is what protectionists demand, and this is what political economy disputes wherever it exists, and also in Russia. It is a question of attracting *new* capital to *new* branches of industry, or to the artificial extension of production in branches of industry that already exist. Political economy speaks against such an extension; it advises that capital should have perfect freedom: let it be employed in whatever is undeniably necessary, on ways of communication, on those branches of industry which do not require to be patronized, and which, consequently, are more in accordance with the requirements of the country, and not on such branches of which the existence depends on the Tariff, and of which the future is not durable.

In other words, this is a question of establishing *new* industries, of calling into life that which does not yet exist, at the expense of that which does exist, and which has a right to exist. Political economy demands the preservation of existing interests; the object of her demands is not to destroy anything, but to preserve that which exists from destruction. If it were possible to attract capital to branches of industry which require patronizing without diverting it from other branches already in existence—if it were possible to attract capital from the moon, and if the producers requiring encouragement could be recompensed with money likewise taken from the moon, and not out of the pockets of the consumers,

* The word generally used in Russia for "protection."—T. M.

economists would not have a word to say against a protection so inoffensive, and which could ruin no one. Unfortunately, however, this is impossible, and political economy is obliged to remind us loudly that this is in no way possible. It says: "Do not ruin agriculture; do not ruin the consumers in order to create at their expense industries of which you cannot guarantee the success, and for which, if you could guarantee it, you have no right to pay with the price of infringing existing rights and interests." This is what political economy says, and says, we repeat it, in the interest of protection. But it never did advise, and cannot advise, the sacrifice of any existing interests.

We should no longer seek arguments in words incorrectly applied. If we must dispute, it is time to dispute of the matter itself. Whoever wants a *prohibitive* Tariff should say so. Whoever wants a *protective* Tariff in the sense of encouragement should defend the Tariff in that sense. The one and the other may be perfectly convinced that he will meet with contradiction on the part of political economists. But those who are determined to defend a Tariff which would only *preserve* existing interests will be met by every sensible political economist, not with contradiction, but with sympathy; but these will not demand the increase of existing duties or the introduction of new ones, and will equally not oppose the reduction of those duties which not only protect and preserve existing manufactures, but also attract fresh capital towards them.

It is time, likewise, to cease mixing with the pure economical doctrine of justice to the agricultural classes, the absurd affirmation that Russia is exclusively an agricultural State, and should therefore devote herself entirely to agriculture, and say farewell to all other industries and productions. There is nothing in common between that affirmation and a sensible economical view. Whatever low opinion some may hold of the mental capacities of men who consider protection (in the sense of artificial encouragement) a doctrine injurious to the national welfare, we cannot suppose that they are incapable of seeing that every part of Russia is not equally favoured in regard to its agricultural capabilities, and that our climate does not allow all the months of the year to be devoted to labour in the field; nor can we hope to be persuaded that those branches of industry which require protection will occupy the Russian people in the winter time. It is, on the contrary, patent to all that rural manufacturing industry has fallen off in consequence of the artificial encouragement given to the manufacture of cotton, to the detriment of branches of industry purely national. We cannot but express our regret at this, although from this very natural regret, we repeat, it does not follow that the oppression of existing cotton manufactures is in any way desirable from a correct view of political economy: it is only desirable to take from it that premium which incites to its further extension, and leads to a further depression of the manufacture of flax, hemp, and partly of wool; it is desirable to take from it that premium now, at a time when its loss will be less felt than hereafter. The former is desirable in the general interest; the latter in the interest of the manufacture itself.

In a leading article the "Golos" of $\frac{\text{July 26}}{\text{August 7}}$, 1865, refers as follows to the dinner given by the Russian manufacturers in Moscow:—

The "Moscow Gazette" published a few days ago an account of the dinner given on the 24th of July, in honour of the Governor-General of Moscow, by the Committee and exhibitors of the Russian Industrial Exhibition. "A large party," says the "Moscow Gazette," "consisting of 212 persons, assembled at this sumptuous dinner." But our attention would not have been drawn to it, in spite of its splendour, if dinners given by Moscow manufacturers were not always accompanied by speeches, which, on this occasion, were in many respects very characteristic. A dinner of the same kind was given at St. Petersburg some months ago in honour of the Messrs. Vargunin, paper manufacturers; with the difference, however, that this dinner had more of a European character as regards the ideas expressed by the representatives of progress. The Moscow dinner was marked by the triumph of the representatives of the old order of things, who always endeavour to put a drag upon our social development. The speeches were distinguished by such retrogressive symptoms that we cannot help regretting the presence there of some representatives of England, who were obliged, out of courtesy, to yield to a whole torrent of arguments in favour of prohibition, always kept in reserve by our well-known Protectionists, Mr. Shipof and Company.

"This is a *family* gathering of Russian industry," are the words with which Dr. Heesen, an advocate of classical education, commenced a long speech in the presence of the representatives of England—that great champion of free trade principles. Mr. Heesen acknowledged that some branches of industry were but badly represented at the Exhibition, but that many others had been brought to perfection, and in some cases to an *equality* with foreign productions. He expressed great satisfaction at this result, and gave the manufacturers credit for the success which they had achieved, remarking, in the true spirit of a manufacturer, how difficult it was to accustom even the best Russian artizans to the punctual fulfilment of their duties. It was no less a matter of regret to him, as a manufacturer, that our workmen have so many holydays, which entail a loss of more than fifty days during the year, in comparison with foreigners—a loss which reduced the profit of the producer by about 20 per cent.

These statements make us regret the absence at the dinner of any representative of the working classes, who could have explained to Mr. Heesen that the increase in the quantity of work produced by a foreign workman is in direct relation to his condition, and that it is scarcely in the number of his working days that the Russian workman is behind his foreign competitor. It is, for instance, well known, that a Parisian workman only sets to work diligently about the middle of the week, and finishes on Saturday at mid-day. Mr. Heesen referred with greater justice to our want of independence, in consequence of which, he said, we have contributed but a small quota of originality to the treasury of science, having limited ourselves to imitation and adaptation. We cannot most assuredly blame our workmen for this, as they only fulfil the orders given to them. But Mr. Heesen will not lay the blame on the manufacturers even in this respect. Instead of acknowledging that the present state of affairs is a direct consequence of the protective system, which has prevented our manufacturers from adopting an independent course of action, Mr. Heesen, like a skilful orator, diverted the argument into another channel, and said, "The absence of independence is apparent in all our branches of knowledge, and this is owing to the comparatively lower level of education which prevails in our country." Mr. Heesen then followed up these remarks by a specious vindication of this deficiency. "In some measure," he said, "we can be excused, seeing that we are the younger brethren of European nations, and that imitation always precedes independent labour." Although we agree with this, we cannot but point out the fact that a want of independence is manifest on the part of our manufacturers, who during the course of half a century have had every opportunity of rising to the level of modern enlightenment. In our opinion the difficulty lies in the fact that the Russian manufacturer, protected by a high Tariff, has not felt the necessity of improving his process of production, when by remaining with his hands quietly folded he could always reap a golden harvest.

Who, indeed, can be ignorant of "the indisputable fact that science is the firmest foundation, everywhere, of everything." It is, however, we may observe, to be regretted that science is allied with toil, and that it is not every one that is naturally inclined to labour, particularly if he be already well provided for, or unless he is obliged by circumstances to work, as, for instance, by the introduction of free trade, which can alone create a revolution in the world of commerce, reduced as it has been to the extreme limits of immobility by Tariffs and Custom-houses.

Science, that "immense power with which Europe is vanquishing us," only became developed in Europe by that very competition from which the Russian manufacturer is excluded. The sermon on the necessity of attaining "independence in science" is neither more nor less than a repetition of those hackneyed Slavophilic phrases with which Moscow has long resounded. We may say the same to Mr. Heesen with reference to his allusion to the necessity of classical education for the steady advancement of industry. All this shows that Mr. Heesen takes his cue from the "Moscow Gazette," and that he is but little acquainted with what has been said by others on the same subject.

On reading Mr. Heesen's speech, it occurs to us that the Moscow manufacturers designedly make a diversion towards the subject of classical education. They probably intend to argue that as we have not yet secured our position in the sphere of classics, we cannot descend to improvements in realities. Progress in both requires time, and in the meanwhile let the blessed Tariff extend its protection to us as long as possible!

When the torrent of highflown words and phrases on the necessity of classical

education had ceased to flow, the company was addressed by Mr. Michell, Attaché to the British Embassy at St. Petersburgh, who had arrived in Moscow to visit the Exhibition, together with two other Englishmen, Messrs. Lloyd and Goodman.

Mr. Michell's speech was distinguished by a courtesy which befitted a guest at so solemn a feast. He spoke of the injustice of the universal opinion that Englishmen are jealous of the well-being of other nations, and assured his hearers that England is far from seeking selfishly only her own advantage, but she is, on the contrary, deeply interested in the prosperity of neighbouring countries. He said Englishmen would be most willing to purchase of us any goods that we can "produce cheaper and better" than themselves. Mr. Michell is quite correct in this statement. Englishmen would, indeed, purchase our goods under *certain* conditions; but unfortunately we are unable to fulfil those conditions. A still greater amount of truth was contained in Mr. Michell's words when he said that Englishmen visited our exhibitions with the object of learning, not of teaching; the latter is evidently in no way advantageous. As far as regards learning from the manufacturers of Moscow, the latter are certainly indebted to a prohibitive system for some very original secrets, which have been called by somebody, whose name does not occur to us, the art of converting four into three, and of selling for five.

After one of the last Russian Exhibitions the latter art was introduced into other parts of Europe, even into England, where the manufacture of cheap and badly wearing silks has recently been learned.

When the enlightened gentleman further observed to his hospitable hosts that perfection in manufactures could not be attained until the removal of the great wall of China by which Russian industry was surrounded, his words were, as might have been expected, received with signs of strong and almost general dissent. Such a speech could not please the family of Moscow manufacturers, whose representatives did not allow it to pass in silence. The first to rise in opposition was Mr. Gardner, the well-known manufacturer of porcelain, whose works have for more than 110 years flourished in Russia under the beneficent influence of a prohibitive Tariff. Mr. Gardner's speech overflowed with the arguments that permeate the flesh and blood of the Russian manufacturers who cling so tenaciously to the prohibitive system, and we shall, therefore, devote our particular attention to it. Mr. Gardner based his refutation on the argument that enterprises in Russia require the outlay of three times as much capital as abroad. Mr. Gardner pointed first to the dearness of hired labour, of bricks, &c., and particularly to the great cost of machinery; which, be it observed parenthetically, is imported into Russia free of duty. With reference to the dearness of labour, it may be at once observed that the price of labour in Russia is lower than abroad; if, therefore, for double the pay the foreign workman produces five times as much as the Russian, the reason is to be sought in the process of manufacture, and in the auxiliaries which are brought to bear upon it.

All these processes and auxiliaries are neglected in Russia, because there is nothing to induce our manufacturers to have recourse to them, all owing to the prohibitive system. Is this not the reason that makes our bricks so much dearer than Belgian bricks? We know, for instance, that an American makes bricks at a brick-kiln near St. Petersburg with as much economy as need be desired.

Who is, then, to blame that inferior bricks burnt with wood, not with coal, are produced at a higher cost by other manufacturers? The fault naturally lies with themselves.

Mr. Gardner said, further, that, in addition to the plant of his factory, the Russian manufacturer had to sink capital in preparing his raw material, obtained in other countries from special works ready for use. The obvious reply to this is that factories are established in consequence of a demand. Who, it may be asked, would build works for the preparation of raw materials when each manufacturer of china or earthenware erects such works for himself, with the object of deriving a profit on raw material as well as on the manufactured article? The manufacturers are themselves to blame for it. The same observation applies to the outlay of capital made by manufacturers in procuring supplies of raw materials for two years in advance, for security against various contingencies. It is this very measure of precaution that produces the eventualities apprehended. Each manufacturer lays in a stock of raw materials for two years, at the very least. How can a regular and constant trade in raw materials be established under such circumstances?

As regards the third argument, *i.e.*, the inevitable outlay of capital in labour,

the foreign manufacturer is subject to the same, if not to a still greater, outlay, and a further consideration of this question is therefore unnecessary. If the manufacturer abroad is able, after building his works, to mortgage them, what is to prevent the Russian manufacturer from doing the same? All our manufacturers have been in the habit of doing this, and when capital was more plentiful they used to obtain considerable sums in that manner; but this resource is not at present available owing to the monetary crisis.

As soon as the crisis is over, bills of a shorter date will become more general in the country. But it must at the same time be remembered that the Russian manufacturer who receives bills at a year's date enjoys the same advantage with respect to his own creditors. If the Russian manufacturer loses money on bills, it must also be borne in mind that the manufacturer abroad, practically in England, is the victim of frequent failures on the part of traders, and often recovers only 25 per cent. of his claim.

For these reasons, therefore, Mr. Gardner's assertion that the manufacturer, thanks to the money which he raises, and the extent of his returns, gets twice as much interest on his capital as the Russian manufacturer, can only be correct while indolence, carelessness, and apathy distinguish the management of the greater part of our industrial enterprises, which are not superintended by their proprietors, but by managers blindly trusted, who enrich themselves at the cost of their employers.

We do not examine Mr. Gardner's calculations respecting the price of his raw material, and the cost of its carriage, as we are not in a position at present to check his figures. We shall merely say that in England materials are not prepared for the manufacturer in every branch of industry. All competition with productions placed under such advantageous circumstances is impossible, as has been already shown by Liebig in his letters. In such a case no protective system, which only tends to enrich a few individual manufacturers to the prejudice of the masses, will be of any avail.

Another curious circumstance is that Mr. Gardner, whose porcelain works have existed for the last 110 years, considers the capital invested in it as money irredeemably sunk and unproductive, and that he only derives a small per-centage from his floating capital. We do not know how Mr. Gardner and his predecessors have dealt with the revenue of their works. If, instead of setting apart a portion of it as a sinking fund for the redemption of the cost of construction, the whole income derived during the 110 years has been spent, then Mr. Gardner is correct in regarding money originally spent in the construction of the works as irrecoverably lost. But it must, at the same time, be conceded, that such a method of conducting business may justly be called *Chinese*, and deserves no sympathy.

But Mr. Gardner cannot be reckoned among the advanced leaders of Protection in Russia. For occasions like the present, this party holds in reserve Mr. D. P. Shipof, who never appears in the vanguard of debates, but forms the last reserve which is launched against the enemy at the most decisive moment. M. Shipof has so faithfully and persistently served the cause of protection that the devoted adherents of that happy doctrine regard the hardened representative of the prohibitive system as their most trusty champion. Everything may prove false to the cause of custom-houses and Tariffs; even the "St. Petersburg Gazette," which now advocates it, may eventually secede, but the cause will never be betrayed by M. Shipof, who enters the lists for it at Moscow, at St. Petersburg, at the fair of Nijni Novgorod, wherever, in fact, free trade ideas and tendencies venture to crop out into light.

At the dinner given at Moscow by the manufacturers, M. Shipof rushed to the rescue of Mr. Gardner at a very critical moment. On such occasions M. Shipof gives utterance to the same humourous assertion. "It is all very well for England," he exclaims, "to speak of free trade, now that she has brought her manufactories to the highest possible state of perfection. Give us time! When we arrive at the state in which England now is, we shall do quite as well. Give us time to attain full strength, and then, *if you please*, open your Custom-houses, for then we shall fear nothing." It is a pity, however, that Mr. Shipof does not indicate even approximatively, when that happy period is to arrive. Is it in the year A.D. 2,000?

It is remarkable that the same argument, almost word for word, was put forward by Mr. Solovieff at the banquet given by Messrs. Vargunin. We should mention that, in order to complete this victory, the Protectionists point to the heavy duty imposed in England on spirits. Why has Mr. Shipof not the candour to say that English spirits are likewise subject to duty? But that is no business

of Mr. Shipof's. What is the good of wasting words about it? "In short, England protects her manufacturing industry; let us do the same, and drink to the health of that great country."

After the discussion had ended, Mr. Gregorovitch very appropriately proposed a toast in honour of the Russian people. "At this jubilee of Russian industry," said he, "we must not forget those whose *labour* assists us in accumulating capital." In our turn, why should we not propose to the Moscow manufacturers to drink to the duration of Custom-houses, and to "a protective Tariff, which enables us at small trouble and risk to collect large sums from the people as the price of inferior goods not calculated to be durable."

Appendix (I).

Tables for the Conversion of Russian Weights, Measures, and Coin into English equivalents.

*Rubles converted into sterling, at 7r. 50c. per £ sterling, or 32d. per ruble.**

S.R.	£	s.	d.	S.R.	£	s.	d.	Copecks.	£	s.	d.	Copecks.	£	s.	d.
100 equal to ..	13	6	8	9 equal to ..	1	4	0	100 equal to .	0	2	8	35 equal to ..	0	0	11
90 „ ..	12	0	0	8 „ ..	1	1	4	90 „ ..	0	2	5	30 „ ..	0	0	9½
80 „ ..	10	13	4	7 „ ..	0	18	8	80 „ ..	0	2	1½	25 „ ..	0	0	8
70 „ ..	9	6	8	6 „ ..	0	16	0	70 „ ..	0	1	10	20 „ ..	0	0	6¼
60 „ ..	8	0	0	5 „ ..	0	13	4	60 „ ..	0	1	7	15 „ ..	0	0	5
50 „ ..	6	13	4	4 „ ..	0	10	8	50 „ ..	0	1	4	10 „ ..	0	0	3
40 „ ..	5	6	8	3 „ ..	0	8	0	45 „ ..	0	1	2	5 „ ..	0	0	1½
30 „ ..	4	0	0	2 „ ..	0	5	4	40 „ ..	0	1	1				
20 „ ..	2	13	4	1 „ ..	0	2	8								
10 „ ..	1	6	8												

Russian value per Arshin converted into English value per Yard.

1 arshin equal to 28 inches. | 1 ruble equal to 32*d.*

S. R.	s.	d.		Copecks.	s.	d.	
5 per arshin equal to	17	2	per yard	45 per arshin, equal to . ..	1	6½	per yard
4 „	13	9	„	40 „	1	4½	„
3 „	10	3	„	35 „	1	2¼	„
2 „	6	10	„	30 „	1	0¼	„
1 „	3	5	„	25 „	0	10¼	„
				20 „	0	8¼	„
Copecks.				15 „	0	6	„
95 „	3	3	„	10 „	0	4	„
90 „	3	1	„	9 „	0	3¾	„
85 „	2	11	„	8 „	0	3¼	„
80 „	2	9	„	7 „	0	2¾	„
75 „	2	7	„	6 „	0	2½	„
70 „	2	5	„	5 „	0	2	„
65 „	2	3	„	4 „	0	1½	„
60 „	2	1	„	3 „	0	1¼	„
55 „	1	11	„	2 „	0	0¾	„
50 „	1	8½	„	1 „	0	0½	„

Russian Value per Pud converted into English value per Cwt.

1 pud equal to 36·08 pounds. | 1 ruble equal to 32*d.*

S.R.	£	s.	d.		Copecks.	s.	d.	
30 per pud, equal to	12	8	3	per cwt.	60 per pud, equal to	5	0	per cwt.
20 „	8	5	6	„	55 „	4	7	„
10 „	4	2	9	„	50 „	4	2	„
9 „	3	14	6	„	45 „	3	9	„
8 „	3	6	2	„	40 „	3	4	„
7 „	2	18	0	„	35 „	2	11	„
6 „	2	9	8	„	30 „	2	6	„
5 „	2	1	5	„	25 „	2	1	„
4 „	1	13	1	„	20 „	1	8	„
3 „	1	4	9	„	15 „	1	3	„
2 „	0	16	6	„	10 „	0	10	„
1 „	0	8	3	„	9 „	0	9	„
Copecks.					8 „	0	8	„
95 „	0	7	10	„	7 „	0	7	„
90 „	0	7	5	„	6 „	0	6	„
85 „	0	7	0	„	5 „	0	5	„
80 „	0	6	7	„	4 „	0	4	„
75 „	0	6	2	„	3 „	0	3	„
70 „	0	5	9	„	2 „	0	2	„
65 „	0	5	5	„	1 „	0	1	„

* The maximum rate of exchange in 1865; the par value of the ruble is 38*d.*

Russian value per Russian Pound converted into English value per English Pound.

1 Russian lb. equal to 14·43 oz. | 1 ruble equal to 32*d*.

S.R.			*s.*	*d.*	
5	per Russian lb. equal to	..	14	9	per English lb.
4	"	..	11	10	"
3	"	..	8	10	"
2	"	..	5	11	"
1	"	..	2	11½	"
Copecks.					
95	"	..	2	10	"
90	"	..	2	8	"
85	"	..	2	6	"
80	"	..	2	4	"
75	"	..	2	2	"
70	"	..	2	1	"
65	"	..	1	11	"
60	"	..	1	9	"
55	"	..	1	7½	"
50	"	..	1	6	"

Copecks.			*s.*	*d.*	
45	per Russian lb., equal to	..	1	4	per English lb.
40	"	..	1	2	"
35	"	..	1	0½	"
30	"	..	0	10½	"
25	"	..	0	8¾	"
20	"	..	0	7	"
15	"	..	0	5¼	"
10	"	..	0	3½	"
9	"	..	0	3¼	"
8	"	..	0	2¾	"
7	"	..	0	2½	"
6	"	..	0	2¼	"
5	"	..	0	1¾	"
4	"	..	0	1½	"
3	"	..	0	1	"
2	"	..	0	0½	"
1	"	..	0	1¼	"

REFORM CLUB
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PART II.

Report to the Association of Chambers of Commerce of the United Kingdom on the Moscow Exhibition of 1865.

Report to the Association of Chambers of Commerce of the United Kingdom on the Moscow Exhibition of 1865.

By Sampson S. Lloyd, Chairman of the Association; and J. D. Goodman, Member of the Council of the Birmingham Chamber of Commerce, and Chairman of the Small Arms Trade.

TOWARDS the end of May 1865 the attention of the Standing Committee of the Association was drawn to the intended Exhibition of the products of Russian industry about to be opened on the 1st July at Moscow.

The opportunity thus afforded of examining so many varieties of Russian manufactured goods, and of comparing their quality and price with those of similar articles the produce of other European countries, appeared to the Standing Committee to be most important as a means of obtaining information which would be invaluable in any future negotiations for a reform of the Tariff relations between Russia and Great Britain.

The Standing Committee were desirous of securing the attendance at Moscow of several gentlemen practically acquainted with the qualities and values of various descriptions of goods, especially of textile fabrics. This, however, proving to be impracticable, we undertook to visit Moscow on behalf of the Committee.

On arriving at St. Petersburg we were most courteously received by Mr. Lumley, Her Majesty's Chargé d'Affaires, and by Mr. Thomas Michell, Attaché to the Embassy. These gentlemen rendered us every assistance, and the latter accompanied us throughout our visit to Moscow; and his doing so—owing to his kindness, ability, and intimate knowledge of the Russian language and people—contributed more than any other circumstance to any measure of success that may have attended our visit.

Shortly after our arrival we obtained an interview (through Mr. Lumley) with various Russian official personages holding prominent positions. We were received with marked courtesy and affability. They invited us to express frankly our object in visiting Russia, and stated that the Imperial Government were very ready and willing to listen to any suggestions that we had to offer.

We assured them that we came to Russia to learn, and not to attempt to teach them political economy, with the principles of which they must be very familiar.

We drew their attention to the wretchedly small foreign trade of Russia in proportion to her population and to her great natural resources, and to the correspondingly trivial revenue derived by the Imperial Government from Customs.

We adduced as an instance the corresponding and continued reduction in the trade of Great Britain with Russia, as shown by the Board of Trade Returns (which include foreign and British articles of all kinds):—

Imports and Exports.

	£
1859	19,907,262
1861	18,588,491
1863	17,705,819

Exports of Produce of United Kingdom only to Russia.

	£
1859	4,053,060
1861	3,041,448
1863	2,695,276

We invited them to compare with these statistical results of the present Russian financial system, those of the present English system.

The Export and Import Trade of Great Britain were—

	£
1834	134,448,491
1861	377,117,522
1863	445,821,429

Showing the natural consequences of a simple and non-protective Tariff, by the unprecedented increase of 280 per cent. in thirty years, or of 15 per cent. during the same three years in which the trade of Russia with England declined 9 per cent.

We urged on their attention the enormous and systematic system of smuggling to which this state of things has for many years past given rise; regular Insurance Companies existing at Polangen, and elsewhere on the frontier, who insure the entry of merchandise into Russia to a large amount for one-third of the proper duty.

We instanced the importation of cigars—the total quantity of which imported into all the Custom-houses in Russia is stated by the Russian official tables to have been in 1861, 3,360 puds (or 1,100 cwt.), while it is well known that two dealers in St. Petersburg alone sell annually a larger quantity than that.

Such a system not only deprived the Government of an enormous amount of revenue, which under a more liberal system would be certain to flow into its coffers, but was ineffective even to promote its own professed object (the protection of Russian manufactures from foreign competition), inasmuch as foreign articles were largely introduced, only to the profit of the German and Polish contrabandist, instead of to the Imperial revenue.

In addition to the excessively high rates of duty, we drew attention to various other prominent defects of the Russian Tariff; its complicated classification, comprising no less than 367 separate classes for the assessment of duties, and the desirability of greatly reducing their number; the frequent and arbitrary alterations in rates of duty by new "Ordinances" issued without due notice; the arbitrary costs and delays incurred when some unintentional misstatement of contents of packages is made, &c.

We urged that, if they were afraid of adopting an absolute measure of free trade, such a measure was by no means necessary in order to produce most important benefits to the Russian people and to the Imperial revenue. Such results might be confidently expected to follow a thorough simplification of the Tariff, and a reduction of duties to such an extent only as would discourage the smuggler, and permit an enlarged *consumption* of imported articles.

In reply to this we were politely informed that, as we were new comers, we could not possibly (as yet) have had the means of knowing the truth about Russia; that the facts adduced by us were not reliable; that many prejudices were afloat respecting Russia in foreign countries, especially in England; and that before we formed a confident opinion of the topics which we were discussing, it was essential that we should study a work to which they pointed on the table (a formidable-looking volume of official statistics, some two inches thick, published in Russian). It was added that the Government were well aware of the extent of smuggling; that (for instance) it was probable that scarcely a train reached St. Petersburg from Germany that did not contain more or less smuggled champagne, &c. But their extended frontier rendered the entire prevention of smuggling impossible. That in answer to the charges against Russia of enormously high duties, they would reply that England herself still retained enormous duties on the importation of tobacco and spirits—the latter an article which Russia (but for those duties) could export extensively to England. That Russia was a very difficult country to govern, owing to its immense territory and the great variety of interests comprised in it. That they themselves were personally in favour of some modification of the present system; but that the Government could not act in that direction unless supported by public opinion.

At more than one subsequent period we had opportunities of meeting these gentlemen elsewhere in private, and of entering more unreservedly into some of these questions. They appeared painfully impressed with the belief that a hostile feeling towards Russia existed very generally in English commercial circles, and adduced, in proof of this belief, the continued non-success of Russian loans on the London market, while loans sought by States infinitely inferior to Russia in wealth, stability, and character were subscribed for without difficulty. We, of course, combated that impression as quite unfounded (self-interest, and not prejudice,

inducing or discouraging subscriptions to Russian, as to other loans, on the London Stock Exchange); but hinted that their want of success might more probably be attributed to some little want of confidence in Russian finance, owing to the adherence of the Imperial Government to so unsound and unsuccessful a financial system. (See Note I, page 87.)

Allusion was also made (very strongly) to our very high duty on spirits, as restricting trade in an article which Russia could supply very cheaply, and with great advantage to herself; and a very great reduction in these duties by Great Britain (it was intimated) would be a *sine quâ non* to any material modification of her present Tariff in our favour by Russia. The natural answer to this is, that no heavier duty is imposed on Russian spirits than on British spirits, and that a reduction of the duty on foreign must necessarily be followed by one on British spirits, leaving the two products in the same relative position as at present.

After a very brief further stay in St. Petersburgh, we deemed it best to proceed at once to Moscow.

The Exhibition was held in the Hall of the Assembly of the Notables, a spacious, well-lighted, and in every way suitable building. It appeared to excite great interest, every part of it having been thronged with visitors on every occasion of our visits to it.

The number of lots of articles exhibited was very large.

Very many Russian manufacturers entirely refused to exhibit—including some of the most important and extensive ones. Some of the officials connected with the Exhibition estimated that about one-third of the manufacturing firms in European Russia had exhibited.

The prices quoted were in every instance wholesale ones. Those of textile goods generally were stated to be those which were current in May 1865, and at which orders would then have been executed.

The articles exhibited comprised cotton, woollen, worsted, linen, and silk fabrics in very great variety; carpets, leather goods, earthenware, glass, goldsmith's work, jewellery, paper, paper-hangings, papier mâché, perfumery, cordage, agricultural implements, machinery, small arms, mathematical, optical, surgical, and other scientific instruments; hardware (in iron, steel, brass, copper, and white metal,) and cutlery. Among the articles entirely or almost entirely unrepresented were ribbons, lace, and chemicals. Porcelain and glass articles were few and inferior, and the same must be said of carpets.

In our examination of the textile fabrics we found it impossible to obtain the regular assistance of any practical expert who could speak either English, French, or German; and, unhappily, we are ignorant of the Russian language. We therefore availed ourselves of the kindness of M. Andréef, Editor of the "Journal of Commerce," who is practically acquainted with the qualities of such goods, and who accompanied us for a few hours during our examination of them. A translation of some of the more noteworthy lots from the official catalogue is subjoined.

Among the textile goods exhibited, printed muslins were remarkably fine in quality, and the patterns light and tasteful. The printed chintzes of the manufactory of Emile Zündel, at Moscow, were also remarkably good. Calicoes of various qualities were abundant and good. The printed calicoes for the Bukhara and China markets were an important feature. The house of Baranoff Brothers, at Moscow, purchase annually 800,000 pieces of calico, and madder to the value of 200,000 silver roubles, to manufacture printed handkerchiefs for sale at the single fair of Nijni Novgorod.

The silk goods were abundant, and of fine colours and quality. Among them may be especially noted the magnificent tissues of silk interwoven with gold and silver thread, for ecclesiastical vestments, gorgeous alike in material and in richness of design, of I. and S. Vishniakoff; the velvets of Ivan Solovieff; the velvets and carriage-lining silk of V. and A. Sapojnikoff. This latter firm are said to sell annually 2,000 pieces of furniture silks for English consumption, the designers and workmen employed on which are exclusively Russian. Not only the richer descriptions of silk goods, but plain silks and satinettes appeared excellent in colour and quality, and moderate in price. We were assured by more than one well-informed person that so well developed is the Russian silk-manufacturing industry that considerable quantities of Russian silks are sold in various markets of Southern Europe as Lyons silks. The woollen and worsted articles were very numerous, and of excellent quality. Through the intervention of Mr. Michell (whose valuable

services have been previously referred to) we were enabled to obtain samples of woollen, worsted, cotton, mixed woollen and cotton and linen tissues, which have been submitted to various Chambers of Commerce, and whose Report thereon will be found in the Appendices. The products of the large and well-managed mills of Ganeshin Brothers (superintended by Mr. Settle, an experienced native of Bradford), the army cloths of Nosoff Brothers, the tricots of Paul Tsurikoff, of Julian H. Hertz, and of the representatives of Fedor Michailoff, were amongst the most noteworthy.

Linens and sail-cloth, as might be expected in Russia, were excellent. Ribbons were unrepresented, excepting one small stall, composed entirely of decoration ribbons of the various Russian Orders of Knighthood. Lace was almost, or quite, unrepresented. Tulle was represented by one house from St. Petersburgh (the Tulle Mill Company, No. 156). These articles were fine, and the designs of window curtains neat and effective. Machine-made lace appears scarcely to be made in Russia, but hand-made lace is largely produced by the peasants in the Archangel Government.

Carpets appeared to be very inferior, both in quality and design. Very few patterns of Brussels were exhibited; the prevailing samples being a coarse inferior sort of pile.

The stationery that we noticed appeared coarse, and inferior to that of England.

In our examination of hardware and metals we were fortunate enough to obtain the assistance of a practical expert who speaks English. A detailed notice of this class of goods, and translations of the descriptions of some of the items in the official catalogue, are subjoined in Notes I, II, and III.

Towards the latter part of our stay in Moscow, we were invited to a grand banquet given by the exhibiting manufacturers to the Governor-General of the city. About 300 guests were present, consisting for the most part of the most ardent admirers of Protectionist principles. In the course of the toasts Mr. Michell took the opportunity of addressing to the Assembly (in Russian) some home truths on the true principles of national economic policy. These were received (as might have been anticipated in such an assembly) with very great disfavour. After the company had adjourned to the garden, the subject was renewed, and the Chairman of the Association had an opportunity of addressing to the assembly (in French) a few words calculated to allay the excited feeling previously manifested, and to assure them that, in seeking the increase of the facilities for commerce between Russia and England, we sought not the destruction of Russian manufacturing industry, or any result that, in benefiting England, did not equally benefit Russia. These few words were well received, and the notice taken of the occurrence by the Russian press must be productive of good, by enabling the Russian general public to become acquainted with the truths adduced by both speakers.

It would be improper to conclude our notice of the Exhibition without recording our sense of obligation for the courtesy and personal kindness which we experienced from many gentlemen at Moscow and St. Petersburgh. Amongst others, we would especially mention M. Khludoff (Director of the Exhibition); M. Butofsky (Member of the Council); M. Katkoff, the enlightened and patriotic editor of the "Moscow Gazette;" M. Leontief, his able coadjutor; Mr. Edward Cazalet and Mr. Louis Cazalet, of St. Petersburgh; M. Andréef, editor of the "Journal de Commerce;" M. Grigorovitch, landed proprietor in Southern Russia, and Superintendent of the Society for the encouragement of Fine Arts at St. Petersburgh; Mr. C. Sherwood, of Moscow, who devoted much gratuitous time to assisting us in inspsction of hardware goods; Mr. Prehn, banker, at Moscow; and last, but by no means least, F. Roberts, Esq., Her Britannic Majesty's Consul at Moscow, whose indefatigable attention and great courtesy during the whole period of our visit merit our most grateful thanks.

On our return to St. Petersburgh we sought an interview, according to previous invitation, with a Russian statesman holding a prominent official position. He inquired with much interest as to our impressions of the Exhibition, and seemed evidently pleased (though, we fancied, slightly surprised) at the very high character we gave of the qualities of many of their productions. He then conversed, in a particularly free and affable manner, on the financial policy of the Empire, its industrial prospects for the future, and the various difficulties attendant on any extensive change of system. His remarks are, of course, confidential; they left a most agreeable impression, however, of his candour and of his enlightened views,

combined with a most watchful regard for the national interests of Russia. He observed: "The Imperial Government are aware that their present fiscal system may be modified with advantage in some respects. Of our own accord, we have quite recently made a considerable reduction in the number of classes in our Tariff (previously 367). We shall continue from time to time to make such further changes as are consistent with the national interests of Russia." He added, "You have done quite right in coming to Russia; and, in addition to informing yourselves about us, you have probably done much good. You have been quietly removing prejudices, and creating favourable and friendly impressions towards your country, and that is perhaps the most useful thing just now that you could do. We shall be glad to see you in Russia again another year."

We gained some interesting statistical information as to the rate of wages of manufacturing labour, and condition of manufacturing operatives of both sexes, derived from personal visits to cotton and woollen mills. We had also prepared a note as to the alleged distaste for Russian securities in England. (See page 85.) But as these topics are to be fully and separately treated by Mr. Michell, we prefer to refer our readers to his papers for information respecting them.

We would now record a few memoranda as to the system of trading in Russia, gathered during our brief visit. They are submitted with diffidence, being isolated and scanty, but have been derived from trustworthy sources.

Banking is unknown in Russian provincial towns; and private deposits (so powerful and essential a basis of banking, and thus of the development of national industry) do not exist. The Government bank has branches in the chief towns, but it only discounts very first-class bills (unless the transaction be introduced by some third party, whose introduction is regarded by the bank as a guarantee of the bill). The bank only charges 5 per cent., but very frequently refuses to discount altogether. If any trader borrows (by way of discount or otherwise) of private hands, the expenses amount to 20 per cent. per annum. Land banks, on a sound principle, appear to be greatly needed in Russia, to enable landed proprietors (embarrassed additionally as they now are by the emancipation of the serfs, and the necessity for paying their labourers wages) to develop and improve their property.

There is a Credit Fonçier at St. Petersburgh, but it makes its advances merely in the Company's own debentures.

Owing to the urgent need which exists for facilities of this kind, a number of swindling firms in London and in Germany find nefarious but lucrative employment by offering, by letter, large loans, if the Russian landowner will first remit them a sum on account. We were informed, on good authority, that Russian landed proprietors are annually victimized in this way to a large amount, and sometimes under circumstances of great hardship. This lack of capital and of proper banking facilities among the landed interest is further evinced by the slackness of trade in agricultural machines, which they are most anxious to possess, but for which they are unable to pay.

The system of credit in Russia appears to be far too long to consist with the proper development of commerce. As a rule, all Russian importers demand long credit. Business is frequently done from Nijni Fair to next Nijni Fair, or to the fair of Irbit (in the former case twelve months, in the latter case six months). In the hardware trade, six months is the shortest credit given by English houses, and it frequently reaches fifteen months.

Notwithstanding all these difficulties, failures among Russian merchants are rare. It is to be noted as singular, that almost all manufacturers in Moscow have their own magasins, or shops, and there sell their own productions retail. Our informant estimated the additional price thus put on at not more than 15 to 20 per cent. The largest importers of hardware have also their own retail shops (in which you may purchase even one pennyworth of nails). Our informant estimated the extra retail profit of these importers, above wholesale prices, to be very small.

It is to be noted, to the credit of English traders, that the Russians prefer (as a rule) to pay somewhat higher prices for goods supplied by English houses rather than for those supplied by German ones. German houses have the reputation of being great contrabandists.

The reputation of British goods for quality would appear, generally, to be high. Some of the exhibitors of textile goods at the Moscow Exhibition remarked to us: "If we did not put English manufacturers' names on the goods we could not sell them." From actual instances that we noticed, and from many others told to us

on good authority, it would appear that the forgery of British trade marks, especially those of Sheffield houses, is carried on to a very considerable extent.

The opinions we have formed of Russian industry, after a careful examination. may be stated as follows :—

Russian manufactured goods have, for the most part, attained a high degree of excellence, such as satisfies the consumer ; but the prices at which many of them are offered to the consumer are enormously high. The interests of the immense mass of the Russian people who consume are thus sacrificed to increase the wealth of the comparatively very small, but at the same time very intelligent, class who manufacture, many of whom are not Russians at all, but resident foreigners, Germans and English. But it must be remembered that the great number of the immense mass of non-manufacturing consumers were, so lately as nine years ago, in a state of serfage. Education is only just commencing to tell upon this class of the population, and to enable them to see and comprehend their own real interests ; and it is as yet impossible for them to create and direct public opinion. On the other hand, the monopolist manufacturers are mostly educated men. Though numerically few, by virtue of that comparative intelligence they direct the press, constitute practically public opinion, and exercise pressure on the Government in favour of their own monopolies. A spirit of patriotic nationality, amounting to fanaticism, is to be observed among many influential people. This tends to induce them to encourage native manufactures as a matter of national pride, without too closely scanning their individual interests as consumers. A curious interest of this spirit may be noticed in the Stroganoff School of Design at Moscow (containing 210 regular pupils, besides instruction given on Sundays to 150 workmen). In that school we were informed that the pupils who learn landscape drawing must copy none but Russian landscapes ; those who study flowers must embody in their design Russian flowers only ; while designs of a more complex character are taken as far as possible from Russian illuminated missals, or other works of early Russian or Russo-Byzantine art.

Hopeful signs for the future are, however, not wanting. There is good reason to believe that the Imperial Government (in common with the more enlightened statesmen of all civilized countries) are well aware of the injurious effect on the well-being of the Empire of the present absurd and monstrous Tariff. They wait, however, to be properly supported by public opinion among the Russian people before they venture on any decisive change.

Education in Russia is now making rapid progress (almost every village having its school). The press enjoys, practically, considerable liberty—more, perhaps, than in some other Continental States ; and the enlisting of public opinion in Russia in favour of indisputable truths must, therefore, be only a question of time.

Already the cause of free trade has many influential advocates ; among others, M. Katkoff, Editor of the "Moscow Gazette" (the most influential journal in the Empire), whose consistent advocacy of a National and Muscovite policy, and of Liberal-Conservative institutions for Russia, as opposed to Polish and Democratic theories, permits no one to doubt the sincerity of the Russian patriotism with which a liberal commercial policy receives the aid of his powerful pen.

It would appear desirable for the English Chambers of Commerce to take opportunities, from time to time, of cultivating friendly relations with their brethren in Russia, to lay before them, in their own language, simple and indisputable facts, showing the truth of Free Trade principles, and to show them that we seek not the destruction of any of their manufacturing interests, but simply such a measure of liberty in commercial intercourse with them as will permit an enlarged consumption of our respective products ; and thus, with an increase of commerce, cause an increase in the wealth and material comfort of each country, to the profit of Russia even more than to that of England.

(Signed) SAMPSON S. LLOYD.
JOHN D. GOODMAN.

NOTE I.

On the Hardware and Metals at the Moscow Exhibition.

In the manufactures of metals, when the excellence of the articles exhibited is taken into consideration, it is a matter of surprise that the variety is not more

extensive. This may arise from the novelty of the undertaking; that no pains have been spared, however, by the promoters to make it well known to the manufacturers throughout the country, is evidenced by the fact that contributions have been received from many distant parts of the Empire.

The manufacture of iron, which it is well known holds a very important position in Russia, is represented by one manufacturer only, with the exception of a few contributions from two or three Government establishments, respecting which no information is given. The well-known Demidoff iron finds no place. This is much to be regretied, as we are deprived of the statistical information respecting the production and extent of employment at the several establishments which we find given by those who do exhibit.

Among the articles conspicuous by their absence are agricultural tools, such as spades, shovels, hoes, &c., known in our own hardware districts as edge tools. The same may be also said of carpenters' tools, of which the only specimens are a few chisels and plane irons, exhibited by manufacturers of cutlery. There are but very few specimens of axes, although it is stated that none but Russian axes are used. With the axe, it must be borne in mind, as in some measure accounting for the absence of other tools, the Russian workman is taught to do almoste very kind of carpenters' work. At the same time, there is no doubt but that he would do his work better if provided with superior tools, which a more extended commerce with other nations would give him. Blacksmiths' tools, such as anvils, hammers, &c., are wanting. Vices are exhibited only by one manufacturer, and those of a description for which there can be no general demand. Files are exhibited, but not in such a way as to afford evidence of a manufacture of any importance. The duty on this article is nominal, and the supply is doubtless obtained from foreign sources. The same remark applies to saws, of which there are no specimens in the Exhibition.

With very trifling exceptions, the lock manufacture is unrepresented. The exceptions are a few cabinet locks and door locks, of which but one model is shown —the mortice lock, which is in general use in the better class of houses throughout the country. No padlocks are exhibited; but there is found in universal use in Russia a very rudely home-manufactured lock of this class, in which no foreign manufacturer can compete in price. It is evidently the production of cheap peasant labour. As far as the Exhibition can be taken as evidence of the state of this branch of manufacture, Russia should afford a field for the manufacturers of Wolverhampton and its neighbouring districts. A heavy duty is, however, levied on this class of goods, viz., on common locksmiths' work, 33*s.* per cwt.; "polished locksmiths' work, 66*s.* 2*d.* per cwt." This rate, doubtless, excludes the foreign manufacturer, while there is no industry of any importance at home to protect.

Tinware is altogether wanting. The consumption must be small, as, while no tin plates are manufactured in the country (none are exhibited), the importation is unimportant. There were received in the port of St. Petersburg the following quantities:—In 1856, 2,095; in 1857, 6,995; and in 1858, 3,205 half (?) boxes. A larger introduction of the cheap and useful articles produced in this ware would certainly tend to promote the comfort of all classes of the population of Russia. The duty levied on "common tin goods" is 20*s.* 8*d.* per cwt.

The duty on painted or lacquered tin goods is 66*s.* 2*d.* per cwt.: a rate which must act unfavourably on the importation of japanned trays, particularly of the common descriptions, for which there is a want in every house above the lowest. On reference to the Exhibition, we find only one manufacturer, on a small scale, employing 18 men, and producing annually the value of 935*l.* He exhibits nothing within the reach of the poorer classes; his lowest price 24-in. tray is 5*s.* 4*d.*: a rate which will pay for half-a-dozen of a low but useful quality in England. This maker's work is, however, very good, well japanned, and ornamented on good blanks.

Cast-iron cooking utensils (tinned and enamelled hollow-ware), of which the manufacturer holds so important a position in our own country, are here very poorly represented. The few specimens of enamelled pots are of inferior quality; the enamelling, however, is better than the casting. No tinned hollow-ware is exhibited. Russia would be benefited by the introduction of this class of goods; inasmuch as they would be found so much cheaper than the copper cooking vessels now in general use, and apparently without injury to existing interests. In rough castings the Russian manufacturer has no competition to fear. By one

exhibitor cast-iron pots are marked at the very low price of 10*s.* 9*d.* per cwt.; by another, 10*s.* 4*d.* Of wrought iron hollow-ware there appear to be no specimens.

Iron chain, a manufacture of the first importance, is represented only by the production of one Government factory, where they are doubtless made exclusively for the naval service. The prices attached to the specimens are four or five-fold those at which the same could be produced in England.

Lead manufactures are entirely wanting; the duty is merely nominal—"Lead sheets, or tubes," 5*d.* per cwt. The supply is obtained from abroad. We find the following quantities imported into the port of St. Petersburg:—

	1856.	1857.	1858.
	Tons.	Tons.	Tons.
Pig lead	6,229	3,580	3,272
Sheet lead	1,142	875	283

The manufacture of steel is apparently carried on only to a limited extent; one exhibitor claims to be the only private steel maker in Russia; another, who is able to quote so low as 26*s.* 5*d.* per cwt. for "blister steel, of first quality, from Demidoff's iron," employs only "20 to 50 men." Specimens of steel are exhibited by one or two Government establishments, but no information as to price or extent of production is given.

The copper manufactures exhibited are good in quality and cheap in price. In these articles there is no competition to be feared by Russia. Copper is one of the products of Russia which can be exported and sold with advantage in foreign markets. The manufacturers, therefore, can obtain this material as cheaply as we in England; and, where the labour required is of simple kind, the home-made article must hold its ground. We find the export of copper from St. Petersburg stated to be as follows:—

	Tons.
1855	284
1856	2,467
1857	2,455
1858	501
1864	625

In the large cooking vessels exhibited the excellence of quality is striking; one remarkably fine specimen of a large copper cauldron is particularly worthy of note. In the smaller articles, such as tea-kettles, &c., the work is rough, the high finish which the skill of the English workman, assisted by mechanical means, is able to produce, is here wanting. These last-named articles are priced at no more than 1*s.* 9*d.* per lb., and will therefore always command a sale in preference to foreign goods, the superior finish of which will not compensate for their higher cost.

The pewter ware is very good and cheap. The only exhibitor, however, employs no more than 15 men, and produces annually to the value of 1,350*l.*

Of stamped brass-ware there are no specimens; and of cast cabinet brass foundry only a limited variety. A larger introduction of this class of goods would much improve the interior of the Russian houses. The duty is not excessive—"copper and brass goods, 33*s.* 1*d.* per cwt." The articles of brass foundry, consisting of door-hinges of various sizes, door-handles, window furniture, stove fittings, &c., all limited in variety, are good and well-finished, and produced at moderate prices.

Riding-bits, stirrups, and harness generally (one small case of plated buckles only excepted), are absent from the Exhibition. The manufacturers of Walsall should here be able to find a market for their productions.

Carriage axles, springs, and lamps, are exhibited by several makers, all showing very creditable workmanship. The springs are manufactured of English steel.

The cutlery exhibited evidences great progress. The manufacture has attained considerable importance, as is shown by the fact that two of the exhibitors each employ 600 men. The quality of the articles exhibited is good, and in some cases the prices are low, particularly in table cutlery. The table knife and fork, which is in common use throughout Russia (see description in Catalogue), is produced at a price which it is doubtful if the English manufacturer can compete with, when importation charges are added.

Of plated wares there are several exhibitors, and some very meritorious specimens are to be found. The prices of many of the articles are moderate as compared with English goods. In the designs there is little that is new; there is room for improvement in this respect. The plated table-spoons and forks are good and cheap (see Catalogue). The duty on this class of article is 1*s.* 6*d.* per lb.

In pure gold and silver some magnificent works were exhibited, equal, in excellence and delicacy of execution and in harmony of design, to the best works of England and France. The national love of designs purely Russian, which is so marked a feature in so many Russian productions, is here specially manifest. A gorgeous article, in the shape of a shrine for the reception of the sacrament; some elaborate frames of chased work for sacred pictures; and a tea-service of pure Russian design, are especially to be noted.

The military small arms exhibited are from the Government establishments, of which there are three in Russia, producing in the aggregate 1,000 rifles per week. The quality of the specimens exhibited is in all respects of the highest class. One system of breech-loading rifle is exhibited from the Government factory near St. Petersburg. It is the system most in favour at the present time with the Russian Government, but they had not yet sufficient confidence to adopt it finally; further trials of other systems will be made before a decision is arrived at. The opening of a breech in this arm is effected in much the same way as in the Prussian needle-gun. It is fired with a cap. The escape of gas is prevented by a bullet placed at the back of the charge, which, under the force of the explosion, tightly fills up the back of the breech. After firing, this bullet is thrust forward by the succeeding cartridge, with some little assistance from an arrangement designed to effect the first movement of the bullet, and it then becomes the projectile. The Russian Government have quite decided that the breech-loading system shall be adopted for small-arms throughout the service.

Sporting guns are exhibited by two small makers; one employing 15 men, the other 6 men and 5 boys. The specimens are limited in variety, and do not exhibit any marked superiority. There were one or two good revolving pistols of which specimens were also contributed by the Government establishment at Tula.

The ancient reputation of Russia for the production of bells is well maintained, although no very large specimens are exhibited, the largest weighing 19 cwt. 1 qr. 4 lb., measuring 3 feet 8 inches in diameter. As far as can be judged by a superficial examination, it is a beautiful specimen of bell-founding. Nothing can exceed the fine tone of a peal of bells which is hung in the Exhibition. The prices, up to 8 cwt. per bell, 6*l.* 8*s.* 4*d.* per cwt.; above 8 cwt. per bell, 6*l.* 16*s.* 7*d.* per cwt. It may not be out of place here to state that the great bell now in use in the tower of Ivan Veliki, at Moscow, weighs 64 tons, is 13 feet 9 inches in diameter, and 11 feet high, exclusive of the crown. The great bell of Moscow, which lies broken at the foot of the same tower, weighs 198 tons, and is 60 feet 9 inches in circumference.

Cut nails are exhibited, but the particulars given show that this branch of industry has not attained any considerable importance. One of the principal exhibitors states that he employs ten nail machines and four machines for pointes de Paris. At the prices quoted, although protected by a duty of 8*s.* 3*d.* per cwt., the supply, particularly of the smaller sizes, must be imported. The quality of those exhibited, being made of Russian iron and well cut, is very good.

Iron and brass wire and wove wire form important articles in the Exhibition. In the production of iron wire, the manufacturers have a great advantage in the excellence of the material they use. This, combined with a protective duty of 8*s.* 4*d.* per bundle of 63 lbs., shuts out all possibility of foreign competition till the finer sizes are reached, when the increased cost entailed by the extra amount of labour tells against the Russian manufacturer. One exhibitor states his production of wire, among other articles, at 402 tons annually.

This report is confined altogether to such articles as come under the denomination of hardware, and no attempt is made to speak of the machinery, including steam-engines and agricultural machines, of which there are many important specimens; they will, however, be found enumerated in the accompanying extracts from the Catalogue. In the same extracts will also be found some hardware articles not here specially mentioned. The particulars relating to the establishments of the several exhibitors are copied from the Catalogue. The information which is printed in italics is taken from observation, and is added in order that the quotations may be more explanatory to those practically acquainted with the

several manufactures. The prices quoted in the Catalogue are given by the manufacturers as the wholesale prices of the articles delivered in Moscow. The Russian prices have been reduced into English at the rate of 32*d.* per silver rouble, which was the rate of exchange at the time of the Exhibition. Also the weights and measures quoted are English. The former have been reduced at the rate of 36·08 English lbs. per Russian pud, and 14·43 English ounces per Russian lb. The measures 28 inches per arshin, and 1·75 per vershok.

NOTE II.

Translations of certain Hardware items in Official Catalogue.

Jakerlef Alapaef, *Iron Works.*

	£	s.	d.		£	s.	d.	
Bars, rounds, squares, flats, hoops, and tires ..	..		..		13	5	0	per ton
Boiler plates	..		..		16	10	0	„
Sheet iron	12	8	6	to	28	0	0	„
Sheet iron, bright surface	19	17	0	to	29	0	0	„
Sheet Iron, 4 *lbs. per sheet*, 56 × 28	..		..		28	0	0	„
„ 5 „ „	..		..		27	5	0	„
„ 6 „ „	..		..		26	7	6	„

In the Province of Perm, constructed in 1792, 1816, 1827. Water power, and engine 35 horse-power; portable engines of 4, 8, and 10 horse-power each; have 5 blast furnaces, 50 puddling furnaces, producing yearly 8,000 tons; 2,000 tons sold at the works; 5,500 tons sent by land carriage to Nijni, St. Petersburg, and Rybinsk. There are connected with the works a school, hospital, and poor-house.

Bibarsof, Princess, *in Province of Kaluga, Mishlogsky District.*

	£	s.	d.	
Cast iron boilers	0	10	9	per cwt.
„ pots	0	10	9	„
„ for stoves	0	10	9	„
„ pans	0	10	9	„
„ ploughshares	0	13	3	„
Bevelled wheels	0	16	6	„
Cast palisades	1	2	8	„

Established in 1728; driven by water power and 2 steam-engines. Annual production, from 1,370 to 1,610 tons; value, 17,500*l.* to 21,500*l.*

St. Petersburg Metallic Company, *St. Petersburg.*

	£	s.	d.		£	s.	d.	
Carriage axles	7	4	0	to	8	0	0	per set.
Brass wire	5	1	4	to	5	17	10	per cwt.
Iron wire	1	4	9	to	3	19	6	„
Sheet copper	5	17	10	to	6	0	0	„
Brass sheets	5	9	7					„

Established in 1857; has 4 engines, 200 horse-power together; 38 lathes, 44 furnaces; employs 225 men; gas-works, 15 retorts. Annual production to value of 41,598*l.*

Artsybasheff, *in Province of Moscow, village of Toorov.*

Cut nails, 32*s.* 1*d.* to 51*s.* 9*d.* per cwt.

	32*s.* 1*d.*	32*s.* 6*d.*	32*s.* 11*d.*	33*s.* 4*d.*	33*s.* 9*d.*	34*s.* 2*d.*	41*s.* 5*d.*, per cwt.
	2 *in.*	1¾ *in.*	1½ *in.*	1⅜ *in.*	1¼ *in.*	1 *in.*	⅞ *in.*
Gauge	13	14	14	15	16	17	17

	43*s.* 6*d.*,	45*s.* 7*d.*,	47*s.* 7*d.*
	¾ *in.*	⅝ *in.*	½ *in.*
Gauge	17	17	17

Cut nails shingling, 36*s.* 3*d.* per cwt.

Pointes de Paris, 82*s.* 9*d.* to 114*s.* 10*d.* per cwt.

Ditto 44*s.* to 70*s.* 4*d.* per cwt.

	44*s.* 0*d.*	44*s.* 0*d.*	46*s.* 5*d.*	51*s.* 4*d.*	63*s.* 0*d.*	82*s.* 9*d.*	99*s.* 3*d.* per cwt.
	3 *in.*	2¾ *in.*	2 *in.*	1¾ *in.*	1¼ *in.*	¾ *in.*	⅝ *in.*
Gauge	12	12	13	14	16	18	19

Pointes de Paris, roundheads, 66*s.* 2*d.* to 148*s.* 11*d.* per cwt.

Copper wire nails, 9*l.* 2*s.* 0*d.* to 11*l.* 11*s.* 8*d.* per cwt.

Ditto roundheads, 12*l.* 8*s.* 3*d.* to 13*l.* 4*s.* 9*d.* per cwt.

Established in 1859; has 10 nail machines, 3 machines for pointes de Paris; English steam-engine, 14 horse-power; employs 45 men. Value of annual production, 6,000*l.*

Rukavishinkoff, *Nijni Novgorod.*

Blister steel of the first quality, from Demidoff iron, 1*l.* 6*s.* 5*d.* per cwt.

Established in 1822; employs 20 to 50 men. Produces annually from 595 to 800 tons.

Zavialoff, *in Province of Nijni, Village of Wosmar.*

Table knives, 9*s.* 10*d.* to 64*s.* per dozen pair.
Black handle knives and forks, 6 in. blade, 3½ in. handle, at 8s., well finished.
White bone, 6 in. blade, 3½ in. handle, at 8s. 3d.
Ivory handle, 5 in. blade, 3¼ in. handle, at 48s. per dozen pair; fancy forks.
Ivory handle, 6 in. blade, 3½ in. handle, at 28s. 10d. per dozen pair; plain forks.
Ivory handle, 6½ in. blade, 3⅜ in. handle, at 38s. 6d. per dozen pair.
Gardeners' knives, 1*s.* 2*d.* to 16*s.*
Pocket knives, 8*d.* to 6*s.* 8*d.*
2-blade Wharncliffe pocket knife, 9s. 4d. per dozen.
Daggers, 10*s.* 8*d.*
Scissors, 1*s.* 1*d.* to 9*s.* 4*d.* each.

Tailors' scissors	9 in.	10 in.	10¾ in.	11½ in.
	16*s.*	21*s.* 4*d.*	24*s.*	40*s.* *per dozen.*

Established in 1827; employs 600 men. Value of annual production, 17,500*l.* Sold in St. Petersburg and Moscow.

Kondratoff, *in Vladimir Province, Village of Vatch.*

Plane iron, 3*d.* to 1*s.* 4*d.*

Double plane iron	2 *in.*	2½ in.
	13*s.*	16*s.* *per dozen.*

Single iron	2 *in.*	2½ *in.*
	6*s.* 3*d.*	8*s.* *per dozen.*

Gouges, 5*d.* to 3*s.* 2*d.*
Chisels, 8*d.* to 1*s.* 1*d.*

Cast steel firmer gouges	½ *in.*	1⅛ *in.*	1½ *in.*
	6*s.* 3*d.*	13*s.*	17*s.* 6*d.* *per dozen.*

Cast steel firmer chisels	½ *in.*	⅝ *in.*	1 *in.*	1½ *in.*	2 *in.*
	3*s.*	6*s.* 3*d.*	8*s.*	11*s.*	17*s.* 6*d.* *per dozen.*

All bright socket mortice chisels, ½ inch, 11s. per dozen.

Pod augurs	⅝ *in.*	¾ *in.*	1¼ *in.*
	11*s.*	13*s.*	20*s.* 6*d.* *per dozen.*

Table knives, 6*s.* to 21*s.* 4*d.*
Black wood handle knives and forks, 3 prongs, knife 10 in. whole length, 5s. 8½d. per dozen pair.
Scissors, 11*d.* to 3*s.* 4*d.*
,, 9½ *in.*, 32*s.* *per dozen.*

Established in 1830; employs 78 to 200 men. Annual production, value 9,500*l.* Sold in Moscow and St. Petersburg.

Government Works, *Igorsk.*

Large copper sheet, 13 *ft.* × 5 *ft.* × ¼ *in. thick*, 119*l.* per ton.
Bolt copper, 16 *ft. long*, 3 *in. diameter, weight* 5 *cwt.* 2 *qrs.* 4 *lbs.*, 117*l.* 6*s.* 8*d.* per ton.
Chains:—

Brass locomotive tubes	2 *in.*	2¼ *in.*	2½ *in.*	3 *in.*
	132*s.* 5*d.*	134*s.* 6*d.*	134*s.* 6*d.*	148*s.* 11*d.* *per cwt.*

Iron chains, 24 links to 1 foot, 7 feet weighing 14½ oz., 20l. 13s. 9d. per cwt.
Iron chains, ¼ in., 15 links to 1 foot, 7 feet weighing 3 lbs. 10 oz., 6l. 16s. 7d. per cwt.
Iron chains, ½ in., 10 links to 1 foot, 7 feet weighing 13 lbs. 8 oz., 4l. 15s. 2d. per cwt.
Iron chains, 1 in., close link, 7 feet weighing 64 lbs., 2l. 9s. 8d., per cwt.
Iron chains, 1 in., close link, with stays, 7 feet weighing 86 lbs., 2l. 13s. 10d. per cwt.
Iron chains, 1½ in., close link, 7 feet weighing 234 lbs., 2l. 1s. 5d. per cwt.
Iron chains, 2¼ in., close link, with stays, 7 feet weighing 550 lbs., 1l. 16s. 3d. per cwt.

Finlandskaya, Mrs.

Set of 8 bells, 7 weighing 541 lbs. to 902 lbs. each, at 6*l.* 8*s.* 4*d.* per cwt.; 1 weighing 1,804 lbs., 6*l.* 16*s.* 7*d.* per cwt.

In Moscow, established in 1814; has 3 furnaces; employs 20 men. Annual production, 162 tons. Value, 16,000*l.*

Pshenitchnikoff, *in Province of Vladimir and Town of Kirjatch.*

	£	s.	d.	
Large copper vessels	9	10	3	per cwt.
Kettles and boilers	11	11	8	„
Copper cooking vessels	11	11	8	„
Cooking vessels, per set of 12, weighing 93 lbs.	9	14	11	
Copper stills	0	2	4	per lb.
Small kettles (fish, &c.)	0	1	9	„
Hot-water boilers	0	2	2	„
Teapots	0	2	2	„
Brass pestle and mortar	0	1	1½	„
Brass dishes (round)	7	0	9	per cwt.
Ditto 9 in. to 18 in. diameter	7	0	9	„
Brass wire, 26 to 30 gauge	7	0	9	„
Large cauldron, 30 in. high, weight 108 lbs.	11	4	0	„

Established in 1805. Has 8 water wheels, 8 furnaces, 20 lathes, 5 hammers. Employs 150 to 200 men. Annual value of production, 27,000*l.* Sold in the interior and in Poland.

Gleboff, *in Moscow.*

Pewter Ware:—
White metal soup tureen, 9*s.* 4*d.* to 12*s.*
Dishes, 4*s.*
Plates, 1*s.* 4*d.*
Plate, 9 in., 14 lbs. per dozen, 18s. 8d. per dozen.
Salt, 1*s.* 7*d.*
Drinking cups, 1*s.* 7*d.*
Syringes, 1*s.* 1*d.* to 3*s.* 9*d.*
Cocks, 2*s.* 8*d.* to 6*s.*
White metal cock, weighing 2 lbs. ½ oz., 6s. each.
Ditto ditto 10 oz., 4s. 8d. each.
Candle moulds, 7*l.* 9*s.* per cwt.
4½ in. ink and 3 in. sand, 2s. 8d. per pair.

Established in 1830; employs 15 men. Value of annual production, 1,350*l.* Sold in the interior.

Buch and Muos.

Silver Plated Ware:—
Tea service, 23*l.* 13*s.* 4*d.*
Tea service, 8*l.* 8*s.*
Coffee, 48s.; tea, 42s. 8d.; sugar, 40s.; cream, 20s.; plain fluted.
Bread basket, 2*l.* 2*s.* 8*d.*
Candelabra, 12*l.* to 16*l.* 13*s.* 4*d.*
Candlesticks, 8 in. to 12 in., 18s. 8d. to 32s. per pair.
Washing basin, 3*l.* 6*s.* 8*d.*
Jug, 6*l.* 13*s.* 4*d.*
Sugar basin, 2*l.*
Trays, 2*l.* to 4*l.* 13*s.* 4*d.*
Butter coolers, 1*l.* 6*s.* 8*d.*
Coffee pot, 4*l.*
Plated handle knives and forks, 40s. to 48s. per dozen.
Table spoons plated on German silver, plain, various weights, 18s. 8d., 21s. 4d., 24s. per dozen.
Soup ladles on German silver, 8s. each.
Five-glass cruet, 48s.
Three-glass ditto, small, 24s.

Established in 1830. Engine, 3 horse-power; employs 200 men. Value of annual production, 20,000*l.*

Vishniakof, *in Province of Moscow.*

Japanned Iron Articles:—
Trays, 5*d.* to 18*s.* 8*d.*
Oval tray, 17 in. all over ground, 5s. 4d.
Round waiter, 4½ in., 5d.
Oblong Gothic tray, imitation wood, gold line border, 17½ in., 2s. 8d.; 24½ in., 5s. 4d.; 28 in., 8s.
Oval tray, imitation wood, plain gold border, 14 in., 2s. 8d.; 17½ in., 4s.; 21 in., 5s. 4d.
Gothic tray, narrow coloured border, 14 in., 2s. 8d.; 17½ in., 4s.; 21 in., 5s. 4d.; 24½ in., 6s. 8d.
All good blanks, well japanned.
Bread baskets, 1*s.* 10*d.* to 4*s.*
Snuffer trays, 6½*d* to 8*d.*
Boxes and tea caddies, 9*s.* 4*d.* to 18*s.* 8*d.*
Cigarette case, 2*s.* 8*d.*

Established in 1780; employs 18 men. Value of annual production, 935*l.*

Government Works, *Sestrorezky, near St. Petersburg.*

Double-barrel musket, 114*s.* 8*d.*
Cavalry carbine, double, 106*s.* 8*d.*
Bullet mould, 14*s.*
Lock-spring vice, 3*s.* 7*d.*
Screw-driver, 1*s.* 1*d.*
Two-barrel pistol, 93*s.* 4*d.*
Breech-loading military rifle. Weight with bayonet 10 lbs. 6 oz., or without bayonet, 9 lbs. 6½ oz. Bore, ·520 inch. Weight of bullet, 512 grains. Weight of powder, 65½ grains. Range, 1,200 paces. Price, 114*s.* 8*d.*
Breech-loading short rifle. Length of barrel, 22 in. to back of charge; total length, 25 in. Weight, 6 lbs. 9½ ox. Bore, ·520 inch. Weight of bullet, 512 grains. Weight of powder, 57 grains. Range, 600 paces. Price, 106*s.* 8*d.*
Breech-loading pistol. Weight, 3 lbs. Bore ·400 inch. Range, 200 paces. Price, 23*s.* 4*d.*

Established by Peter the Great in 1714; driven by water power; employs 872 men. Annual production, 12,000 muskets.

Malzoff, *Province of Kaluga.*

	£	s.	d.		£	s.	d.
Portable steam-engine, 4 horse-power	..			..	160	0	0
Chaff-cutters	2	13	4	to	6	13	4
Thrashing-machine, 3 horse gear	..			..	18	13	4
Ditto 2 horse gear	..			..	10	13	4
Horse gear	12	0	0	to	18	13	4
Dressing machine	..			..	3	6	8
Winnowing machine	..			..	6	13	4
Flour mill	..			..	53	0	0
Horse drill	..			..	8	0	0
Hand drill	..			..	0	16	0
Seed crusher	..			..	3	14	8
Bone crusher	..			..	17	6	8
Ploughs	0	18	8	to	3	6	8
Harrows	..			..	3	6	8

Ludinofsky Works established in 1752; Sukreshensky Works, 1793; Pesotchensky Works, 1839. Orel Province:—Sergievsky Works, 1848. 14 water wheels, together 340 horse-power; 10 steam-engines, together 150 horse-power. Employs in all the works 2,310 men. Value of annual production, 35,000*l.*

All printed in italics have been obtained from personal observation. The remainder are extracts from the official Catalogue.

NOTE III.

Translation of certain Textile items in the Official Catalogue.

Ganeshin Brothers.

Samples Shown.

	Rs.	c.	
Black buckskin	3	50	per arshin
Velvet cloth	3	25	,,
,,	3	0	,,
Cloth	2	60	,,
Reps	2	75	,,
Blue cloth	3	50	,,
Black cloth	1	85	,,
,,	2	40	,,
,,	2	15	,,
Blue cloth	1	85	,,
Ladies' cloth	1	45	,,
Flannels	1	0	,,
White blankets	6	0	,,

Mill is at Moscow, and the business was established in 1831. The machinery is driven by an engine of 40 horse-power. There are 15 carding and condensing machines, 15 mules, and 365 looms. Employ 680 men, 200 women, 215 children, under 4 managers. Annual production, 20,155 pieces of cloth and ladies' cloth, worth 637,200 roubles, and is sold in Moscow, St. Petersburg, Odessa, the Ukraine, Warsaw, Riga, and other parts of the empire. In the factory are a carpenters'

and smiths' shop with 3 forges. *The most noteworthy of the goods shown were:—for quality, the buckskin at 3 roubles 50 copecks; the blankets, 12 arshins square: rough cloth, for soldiers' clothing; brown, at 1 rouble per arshin; shoddy, at 2 roubles 50 copecks to 10 roubles per pud.*

Ganeshin Brothers.

Woollen yarn, from 28 rs. to 120 rs. per pud.
Specimens of ribands of Australian wool.

Mill in Moscow, and commenced spinning in 1861; employ 200 men, 300 women, 370 children. Machinery consists of 1 mule and 60 spinning machines, driven by a 60-horse power engine. Produce, 15,000 puds of yarn; value, 750,000 roubles. Sold in Moscow.

Julian Heinrich Hertz.

	Rs.	c.	
Summer tricots, $\frac{6}{4}$ width, at	3	20	per arshin.
Winter „	4	20	„

The manufactory is in the Province of Grodno, near the town of Belostock, and was established in 1844. Employs 200 hands, including 30 children; is worked by water, but has for aid in dry seasons a 20-horse power engine. There are 60 looms, 19 wadding and condensing machines, 8 mules with 19,000 spindles. Has gas works. Production, 60,000 arshins of tricot; value, 225,000 roubles. Sale principally in Poland and Finland. *Of the samples, a summer tricot at 2 roubles 90 copecks, and a scarlet tricot at 5 roubles, appeared excellent.*

Paul Tsurikoff.

	Rs.	c.		Rs.	c.	
Cloths of various colours, from	1	75	to	2	85	per arshin.
Satinette, from	2	80	to	2	90	„
Ladies' cloths, various colours		..		1	75	„
Diagonal		..		3	80	„
„		..		4	25	„
Summer tricot		..		2	75	„
Winter tricot		..		3	50	„
„		..		3	75	„

Manufactory in the Province of Moscow, Zvenigorod District; established in 1833. Has 3 water wheels, and 2 engines, 1 of 20-horse power, 1 of 16-horse power; 45 carding machines, 13 condensers, 13 mules of 240 spindles each, 200 looms. Employs 950 hands; amount of wages paid, 80,000 roubles; manufactures yearly 10,000 pieces of cloths, satin cloths, &c.; value, 659,000 roubles. *The most noteworthy were the tricots (of very neat pattern) at 3 roubles 50 copecks and 4 roubles 25 copecks per arshin, and tweeds for coats at 4 roubles 25 copecks per arshin.*

V. and D. Remizoff.

	Rs.	c.		Rs.	c.	
Black cloth, from	1	40	to	2	40	per arshin.
Ladies' cloth, at		..		1	25	„
Carded cloth		..		52	0	per piece.

Have 2 manufactories: 1 in Moscow, and 1 in the Province of Moscow, Podolsk district. Established 1841. Have a water wheel, and 1 engine 30 horse power; have 16 spinning apparatus, 9 mules, with 2,434 spindles. Employ 750 hands; make annually 13,000 pieces of cloth.

The most remarkable of those shown were cloths $2\frac{1}{4}$ arshins broad and $22\frac{1}{2}$ arshins long, at 52 rubles per piece.

F. Michailoff.

	Rs.	c.		Rs.	c.
Lustrines of different colours		..		0	45
Half wool serges		..		0	40
Reps		..		0	42
Cashmeres	0	60	to	0	63
Grograms	0	63	to	0	65
Reps (woollen)		..		0	73
Thibet		..		0	85
Rataline		..		1	30
Crape		..		1	30
Reps (woollen)		..		1	30
Satinette		..		0	90

Manufactory (for woollen and mixed goods) is in Moscow. Established in 1846. Employ 250 hands; have 250 Jacquard and other looms; make yearly 350,000 arshins of goods, value 250,000 rubles. Principal markets for these goods:—Moscow, Petersburg, Finland, the Nijni and other fairs.

The reps at 1 ruble 30 copecks appeared excellent.

M. Borodin.

	Rs.	c.		Rs.	c.
Grenadine dresses	12	0	to	16	0
Mousseline	0	45	to	0	50
Barège	0	28	to	0	40
Gauze		..		0	65
Grenadine		..		0	45
Poplin	0	65	to	0	70
"		..		0	80

This stuff mill in Moscow, established in 1856, employs 160 hands; has 100 Jacquard looms, 60 remisé looms, and 120 winding machines. Has another mill in Bogorodsk District, with 50 looms, employing 65 hands. Manufacture yearly of silk, woollen, and cotton goods, 5,000 pieces and 5,500 dresses; value, 200,000 rubles. Sold in different towns of the empire.

The alpacanines of wool and cotton, white ground, with green silk flowers, were not quite 1 arshin wide, and were marked 65 rubles per arshin.

A. Fomitcheff.

	Rs.	c.		Rs.	c.
Various kinds of shawls	1	45	to	25	0
Vestings	1	50	to	5	50
Gros d'Ecosse, smooth		..		1	50
Moire antique dresses		..		45	0
" "		..		60	0

One silk-weaving mill in Moscow, and one in the province of Moscow. The last has been in work 35 years, employs 350 men, 100 women, and 50 children. Has in work 50 hand and 300 Jacquard looms. Produces to the value of 300,000 rubles per annum. Sold throughout the empire; principally in Moscow, Petersburg, the Nijni and other fairs.

The moire antiques were 15 vershoks wide, and marked 2 rubles 35 copecks to 2 rubles 45 copecks per arshin. Plain silks, same width, 1 ruble 40 copecks per arshin.

V. A. Sapojnikoff and Co.

	Rs.	c.		Rs.	c.
Velvets	9	0	to	45	0
"	3	0	to	7	0
Satin		..		2	40
" double		..		1	30
Brocatelle	2	50	to	7	0
Reps	2	0	to	11	0

Silk and brocade factory, in Moscow, established in 1837. Employ 155 hands, with 104 Jacquard looms. Produce annually 40,000 arshins of furniture stuffs, 10,000 arshins of satin, 10,000 arshins of brocade and velvet; value 225,000 rubles. Principal markets—Moscow, Petersburg, Nijni fair, the Caucasus, and Bulgaria.

These goods appeared to be excellent silks for carriage linings, all 1½ arshin wide, and marked from 4 rubles 50 copecks to 11 rubles per arshin.

J. Solovieff.

Velvets from 2 Rs. 60 c. to 6 Rs. 10 c. per arshin.

Silk mill in Moscow Province, Bogorodsk district, established in 1795. Employs 98 men, 85 women, and 150 men out of the mill. Has a 4 horse power engine, and 60 Jacquard looms. Makes annually 15,900 arshins of velvet, value 55,195 rubles; satins, value 56,000 rubles; silk handkerchiefs, value 25,000 rubles; and various silk goods, value 50,000 rubles. Sold at Moscow, Nijni fair, and in the Ukraine.

Velvets on cotton warp, 11½ vershoks wide, at 2 rubles 60 copecks per arshin. Splendid dark crimson velvet, all of Persian or Italian silk, 12 vershoks wide, at 6 rubles per arshin.

J. Butikoff.

	Rs.	c.		Rs.	c.	
Satin		..		0	68	per arshin.
Lutestring	0	23	to	0	55	„
Imperial		..		0	60	„
Camlet	0	30	to	0	40	„
Cashmere	0	60	to	0	70	„

Mixed cotton and wool mill and dyehouse, in Moscow, established 1820. Has 350 hand and Jacquard looms, and 59 power looms, employing 680 hands. There are also 400 looms working out. Yearly production to the value of 800,000 rubles. Sold principally in Moscow, and at the fairs.

The lutestrings 18 vershoks wide. Very good at 55 copecks per arshin.

Riabushinsky Brothers.

	Rs.	c.		Rs.	c.	
Tartan	0	37	to	0	90	per arshin.
Poplin		..		0	70	„
Poil de chèvre		..		0	33	„
Fine calico	0	16	to	0	20	„
Calico of twists		..		0	12	„
„	0	18½	to	0	19	„

Manufactory of mixed goods in Moscow, established in 1846; and one for power weaving, dyeing, and finishing, in the Province of Kaluga, Maloyaroslavitz District, established in 1858. Employ 940 hands and 250 winders. Have one 40 horse power engine, with 3 boilers; 319 power and 170 hand looms, and 70 Jacquard looms. Value of annual production, 450,000 rubles. Sold in Moscow.

The Tartan dresses were very fine.

E. Zundel.

Prints of various kinds, from 18½ to 41 copecks per arshin.

Calico print works in Moscow, established in 1825. Employs 650 hands. Has 15 steam engines, together 142 horse power, with 8 boilers. A bleach ground attached. Production, 135,000 pieces; value 540,000 rubles. Sold in Moscow.

The printed chintzes were especially beautiful, also the cotton dresses, fast colours, Nankeen patterns, at 5 rubles 60 copecks per dress.

Ivan Garelin.

	Rs.	c.		Rs.	c.	
Printed cottons	0	12½	to	0	32	per arshin.
Calicoes	0	8	to	0	22	„

Print works and calico weaving, in Vladimir Province, Shuya District, erected in 1856. Employs at the works 232 hands, and 1,960 working at own homes. Has an engine of 30 horse power, 3 boilers of 30 horse power each; has a steam pump in case of fire. There are 25,000 spindles. In 1864 produced 19,900 pieces of calico; value, 179,550 rubles; 31,830 pieces of prints and handkerchiefs, value 380,100 rubles. The whole of the calico is used in the print works, and all are sold on the spot, at Moscow, or at the fairs.

These goods are specially made for Nijni fair, and for minor fairs supplied from that of Nijni. Consist chiefly of Turkey reds, and red and fancy-coloured calicoes. The patterns were bold and peculiar—long stripes of Indian red, varied with ochre, blue and green. These latter patterns were stated to be purchased at the fair for China.

J. and T. Morozoffs.

	Rs.	c.		Rs.	c.	
Demi cotton	0	13	to	0	21	per arshin.
„	6	0	to	10	0	per piece.
Fine calicoes		..		5	70	„
Cashmere		..		0	20	per arshin.
Camlet		..		0	28	„
Glacé		..		0	28	„
Calico	0	14	to	0	30	„
Indigo blue nankeen	0	17	to	0	24	„
Plush		..		0	57	„
Half velvet		..		0	30	„
Fine calico		..		7	70	per piece.
Twine for spindle band		..		0	23	
Half flax tricot		..		0	32	
Tick	0	35	to	0	40	

Cotton Yarns—	Rs.	c.	
Throstle, No. 32's	36	0	per pud.
Twist, No. 40's	35	0	„
„ dyed	30	0	„
Weft, No. 20's	18	0	„
„ No. 38's and 40's	25	0	„

This cotton spinning mill and two weaving mills are in the Province of Vladimir, Pokroffsk District; worked by 11 steam engines, altogether 430 horse power; have 22,880 spindles, 69,464 mule spindles, 6,900 twisting spindles, 963 power looms, and 195 hand looms. Employ 3,350 hands. In 1864 produced 81,922 puds of yarn and cotton goods, to the value of 2,457,660 rubles. Have also weaving carried on in the Provinces of Vladimir, Moscow, Kiazan, and Raluga, to the value of 2,500,000 rubles. Sold at Moscow, the fairs, and at Kiakhta. Attached to it are a fire engine station, an hospital with a dispensary, and a school. Has gas works.

Cotton velvet trouserings were marked at 1½ rubles per trousers piece.

F. Rabeneck Sons.

	Rs.	c.	
Red cotton twist	65	0	per pud.
Medio	65	0	„

Cotton yarn dyeworks in the Moscow Province and District, established in 1830; employ 200 hands. Dye every year 10,000 puds; value, 300,000 rubles.

There was exhibited flax from the Caucasus torn into a substance resembling cotton wool, at 40 rubles per pud.

B. and A. Diakonoff Brothers.

	Rs.	c.		Rs.	c.	
Flax yarn, Nos. 12's to 40's	6	75	to	19	0	per pud.
„ bleached, No. 14's to 30's	10	0	to	16	50	„
Coarse linen, half bleached	0	22	to	0	27	per arshin.
Flemish half bleached linen	9	50	to	15	50	per piece.
Ravenduck	6	0	to	9	50	per arshin.
„	0	25	to	0	30	„
Coloured canvas	0	40	to	0	75	„
Napkin linen	0	17	to	0	33	„

Linen factory, in Kostroma Province, and the town of Nerechta. Established in 1842; employ 700 hands; have 2 engines 70 horse power. Value of production annually 450,000 rubles. Sold in Moscow, St. Petersburg, at Nijni, and some of the fairs in Little Russia.

These goods were very excellent. Voiwoda flax thread equal to our No. 130's, of very fine quality, at 77 rubles per pud. The linens, by power loom 18 vershoks wide, by hand 19½ vershoks wide, were all good.

Hille and Dietrich.

	Rs.	c.		Rs.	c.	
Linen of various sorts	12	75	to	76	50	per piece.
Table cloths	1	90	to	30	60	per dozen.
Napkins	4	70	to	17	0	„
Towels	4	50	to	11	50	per piece.
Linen for sheets	19	50	to	27	20	„
Linen	10	50	to	14	10	„

Factory in the Province of Warsaw Government and Lovitch District, established in 1829. Worked by 5 engines, together 150 horse power; have 4,300 spindles and 250 power looms. Annual production, 500,000 rubles. Sold in Warsaw and other towns in Poland, and in the empire generally.

All printed in italics are remarks by the Deputation; the remainder is extracted from the official Catalogue.

Appendix A.

On Worsted Goods.

By the Bradford Chamber of Commerce.

THE samples obtained by Mr. Michell from the worsted goods which were shown at the late Moscow Exhibition are, firstly, mixed goods composed of combed wool and cotton; and, secondly, of goods made of wool alone.

The mixed goods are, without exception, close imitations of articles produced in this district, without the slightest attempt at originality. They are known to the trade by the names of Orleans, Summer Cloths, Italians, Grograms, Figured and Fancy Orleans, Linings, and Lenoes.

The cotton warp probably, and the worsted weft certainly, are imported from England. The latter is spun principally from Yorkshire and Lincolnshire wool into No. 40 lustre yarn, such as forms the staple of the export trade from this district to Russia. The goods are extremely well made, and, with few exceptions, beautifully dyed and finished. They are evidently woven upon English power looms, most likely under the superintendence of English overlookers.

The fancy goods have no pretence to novelty, and are copies of our designs of preceding seasons.

Of the goods made from wool alone, only a few samples resemble those manufactured in this neighbourhood. The others, as well as the articles made of wool and silk mixed, appear to be close imitations of French or German tissues, with, perhaps, the solitary exception of a peculiar striped article, probably manufactured for a local or national costume.

It might have been expected that the high specific duty which falls most heavily upon low, heavy, and cheap articles, would have tempted the Russian manufacturers to cultivate this branch of the trade before all others; but, judging from the samples submitted, the contrary is the fact. They represent, without exception, superior textures, only intended for the use of the higher classes of society.

The prices attached to the samples are stated to be those of the wholesale trade in May last; and in comparing them with those ruling at the same time in this market, it will be necessary to take into account not only the duties charged on the importation of the manufactured article, but also those upon the yarn from which it is produced.

Worsted yarn is subject to a duty of 4 rubles 40 copecks per Russian lb., or 1*l.* 16*s.* 6*d.* per cwt., calculated to be about 9 per cent. of the value.

Light worsted stuffs pay 1 ruble 32 copecks per Russian lb., or 20*l.* 16*s.* 10*d.* per cwt., or nearly 4*s.* sterling per lb. A.D.P.

Subjoined is a list of the samples referred to, and which admit of being closely compared with Bradford stuffs. Their respective prices show that, on the average, the prices in Moscow are about 40 per cent. higher than in England, and that even after allowing for the duty on yarns, the Russian manufacturer receives about 30 per cent. more for the same article than his Bradford competitor. (See Appendix B.)

Another column of the same Table shows that the import duty averages 73 per cent. on the value (in England) of the goods represented by these samples; but it must be noticed that in normal times, with the exchange at par, and the raw material not raised by extraordinary circumstances, the import duty used to represent from 100 to 130 per cent. on the average value of Bradford goods.

The fact that the samples represent only fine qualities, and not a single low one, contributes to lower the real average relation of the duty to the value very considerably.

It cannot be supposed that the actual cost of weaving and dyeing should be greater in Russia than in England; and the lower wages and unrestricted hours of labour in the former country give a decided advantage to the Russian producer.

It appears, however, that the Russian manufacturers do not claim the whole advantage apparently secured to them by the Tariff, but are content with an additional profit of about 30 per cent.

This apparent moderation may be attributed to the fact that in fixing the price, the manufacturer has to compete rather with the smuggler than with the honest importer of foreign goods: and this assumption is supported by the singular coincidence of this 30 per cent. with the reputed average cost of smuggling.

These facts lead to the conclusion that the Tariff does not really afford an effective protection to the manufacturer, and that the production of worsted goods might be easily developed into a truly useful and national industry by the abolition of the import duties on all yarns required for manufacturing purposes, and by a great reduction in those on woven fabrics. The former measure is necessary to give fair play to the Russian manufacturer; and the latter would afford him a stimulus to exertion by allowing the possibility of a competition alike useful to the manufacturer, to the consumer, and to the Imperial revenue.

(Signed) JACOB BEHRENS.

Vice-President of the Bradford Chamber of Commerce.

PALL MALL

Appendix B.

Comparison between Thirteen Articles of Russian Mixed Worsted Goods with similar Goods Manufactured in Bradford.

No.	Manufacturer.	Article.		Copecks per Arshin.	Per Yard.	Worth in Bradford, Per Piece.			Weight.	Duty.		Per cent.	Cost in Russia, Duty added.		Cost in Bradford.	Remarks.
		Width, Inches.			d.	Yards.	s.	d.	Lbs.	s.	d.		Per Piece. s. d.	Per Yard. d.	Per Yard. d.	
1	Timashoff and Sergeyeff ..	30½	Orleans ..	45	18½	42	38	0	8⅛	32	6	85	70 6	20	11	Average cost per yard in Bradford, 13¼d.
2	Ditto Ditto ..	30½	Ditto	43	18	42	39	0	8⅛	32	6	85	71 6	20½	11	Average selling price at Moscow, 19d.
3	Elagin	29	Ditto	40	16½	40	41	9	7	28	0	70	69 9	21	12½	Or, more charged at Moscow, 40 per cent.
4	Ditto	30	Italians ..	55	23	36	41	0	7¼	29	0	70	70 0	24	14	Average duty, 73 per cent.
5	Ditto	31	Ditto	68	28	36	46	0	8	32	0	70	78 0	26	15	
6	Ditto	25	Ditto	68	28	36	71	0	10	40	0	60	111 0	37	24	
6A	Ditto	25	Figured ditto ..	68	28	36	71	0	11½	46	0	65	117 0	40	24	
7	Ditto	24	Summer cloth ..	38	15½	40	37	0	7½	30	0	80	67 0	20	11	
7A	Ditto	24	Mixed croton ..	38	15½	36	32	0	6½	26	0	80	58 0	19	11	
8	Ditto	30	Linings ..	42	17	36	38	6	7¾	31	6	80	69 6	23	13	
8A	Ditto	30	Figured Orleans .	42	17	36	39	6	6⅛	24	6	65	64 0	21	13	
9	Riabushinsky	22½	Lenoes ..	27	11	40	26	0	4¼	17	0	65	43 0	13	7½	
10	Ditto	22½	Ditto	30	12	40	26	0	4¼	17	0	65	43 0	13	7½	
			Average ..	..	19	..	..		..	..		73	..	23	13½	

Appendix C.

On Fancy Woollen Trouserings.

By the Huddersfield Chamber of Commerce.

After a careful examination of the samples of Russian manufactures of plain and fancy woollen cloths submitted to this Chamber, we find some difficulty in giving a general opinion without going into too many details, as there exists great difference between the qualities, styles, and prices of the different makers.

There appears to us to be a want of novelty in many of the styles, owing, no doubt, to the non-employment of skilled pattern designers. This class of goods is not got up with that care and attention which it requires.

There are some specimens among the samples which are manufactured in a very superior manner. They could not be made better in England, and the prices would not average above 10 per cent. less than those marked on the samples. This is particularly—so far as respects excellence of manufacture—the case with those of Wehrmann. All these goods reflect great credit on the producer. Those of Osepoff are also very good.

The goods of Gutchkoff are extremely well made, and could not be produced at a less price in this country.

Taking into consideration the heavy expenses which fall on goods shipped from England to Russia, especially during the winter months, we are certain that an *ad valorem* duty of 10 to 15 per cent. would be a great protection to the Russian manufacturer; would, by a healthy competition, stimulate him to greater exertion —with the same beneficial results as have followed in France and Belgium; and would open a fresh market, to some extent, for English woollens.

Appendix D.

On Heavy Coatings.

By the Dewsbury and Batley Chambers of Commerce.

These Chambers have been surprised at seeing such a variety of cloth, the produce of Russia; and to find the make, quality, colours, and finish so excellent, many of them being quite equal to English-made goods. On the whole, the cloths are not quite so soft in the handling as English goods, arising, no doubt, from the nature of the wool used in their manufacture.

The prices are generally higher than would be asked in England, but not to so great an extent as might have been expected. For goods in every way equal to the samples submitted to us—made of pure wool, fast dye, &c.—no greater reduction than 8 to 10 per cent. would be allowed. This would be considerably less than the expense incurred in sending them to Russia, exclusive of any duty imposed there.

We do not believe that, under any circumstances, the manufacturers of this country are likely to compete in Russia with these goods. Goods of equal quality are made here only to a very moderate extent. The manufactures of this neighbourhood consist, mainly, of a lower class of goods, which would not be used in Russia by the class for which these shown to us are made. The goods made here are not generally of pure wool; but a good and serviceable article could be made at a considerable less cost, eminently suited for winter wear in a Russian climate, by the middle and, to some extent, the lower classes of the people. There appears in these samples none suitable for these classes; and we cannot but think that, with a moderate import duty into Russia, a large business might be done, and the commercial intercourse of the two countries greatly increased, without any great interference with the existing manufacturers of heavy goods in Russia, seeing that the goods would be generally fitted for a different class of consumers.

Appendix E.

On Plain Woollen Cloths.

By the Leeds Chamber of Commerce.

The Leeds Chamber of Commerce has examined the samples of woollen goods of Russian manufacture. Those which are most like the woollens manufactured in Leeds are the plain cloths. There is, however, so much difference in the style of manufacture and finish as to render a very close comparison impossible.

The Chamber, however, cannot but admit that, as regards excellence of manufacture, these cloths do very great credit indeed to the producers. They seem to have been well manufactured in every respect, and the makers have evidently had every advantage which the best machinery and a perfect knowledge of the best modes of manufacture can give. The dye seems to be remarkably good, and for fine colours, as scarlet, to be equal to those of any other country. The finish generally is not such as is required here, but resembles more that of the Belgian and Prussian manufactures. Altogether, the Chamber sees nothing in these samples to induce it to think that the Russian manufacturers are in any way behind those of other countries in respect to excellence of manufacture.

The Chamber feels itself unable to speak very positively as to the prices marked upon the goods. Plain woollen cloths, especially the finer sorts, are difficult to value even by persons well acquainted with the trade, and when the samples are so small the difficulty is very greatly increased. Indeed, no merchants would buy fine woollen cloths from such samples, or, if they did so, they would rely more on the knowledge they had of the manufacturer and the confidence which former transactions would induce them to repose in him. The Chamber believes that it is not far from correct in saying that, in the lower priced goods, they could be produced here at from 10 to 15 per cent. less than those given by the Russian manufacturers. This is not, however, the case with all of them; in the finer sorts it is doubtful whether there would be so great a difference in the price: but it is impossible, with the means of judging given by the patterns, to speak more positively.

The Chamber begs to say that, whilst a similar description of goods, of which samples are given, are produced here, yet this is not the kind of goods which a moderate Tariff would enable this district to send to Russia, and it believes that the Russian manufacturers would not find this district to compete very keenly with them in goods similar to the samples. The Chamber cannot but remark that, with the exception of army cloths, nearly all these goods are much more expensive than are generally worn, even in the richest countries, by the great mass of the people. The Chamber finds scarcely any samples fitted for the consumption of the ordinary run of tradesmen or the better part of the working classes; whilst for the lower classes there is absolutely nothing. In Leeds and its neighbourhood very large quantities of goods are made which are very much cheaper, and though not suitable for the consumption of the higher classes, are eminently so for others; and it is for these rather than fine goods like these samples that it would look for a considerable demand in Russia, if the Tariff were more moderate. They comprise as well light goods suitable for summer as heavy warm goods for winter wear, especially in cold climates.

In addition to these, there is a very large production here of cloths suitable for mantles and cloaks for ladies. They are not generally so well made as broadcloths, nor are they strong enough to bear much strain; this is not, however, required for such garments. We see no samples amongst those sent which will compete with them, and we should think a fair trade in them would be done were the rate of duty moderate.

The Chamber would point out that, in woollen goods, no country has been able to obtain any great superiority over others. The best machinery can be obtained everywhere, and the raw material is nearly equal in price to all,—Russia and Germany having, in this respect, some little advantage, owing to their having at home wools of unequalled excellence. No one country having any material advantage over others, either in machinery or material, there is little reason to doubt that all would, under the freest fiscal system, maintain considerable woollen manufactures of their own. The great increase of trade between them must arise in goods to which the other does not devote so much attention, and from the

increased consumption which will arise in a State which is increasing in prosperity —the first requisite for which has been found in the encouragement of commerce, by the removal of all restrictions upon it. The recent changes in this country and France have proved this conclusively. When the Anglo-French Treaty of Commerce was in course of negotiation, it was thought that the Woollen Trade of France would be seriously injured. The contrary has proved to be the case, and a large mutual trade in woollens has sprung up, each country producing some classes in greater perfection, and exchanging them for other classes of goods which could be imported more cheaply.

The Chamber trusts that this will, before long, be the case with Russia also; and even with very light import duties into that country it is convinced that the Russian woollen manufactures would not suffer, but by a healthy competition, become more perfect, and, therefore, more extensive.

PART III.

Memorandum on the Conclusion of a Treaty of Commerce between the Zollverein and Russia; prepared by the Permanent Committee of the German Commercial Congress.

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Memorandum on the Conclusion of a Treaty of Commerce between the Zollverein and Russia; prepared by the Permanent Committee of the German Commercial Congress.

(Translation.)

EDITED BY T. MICHELL.

INTRODUCTION.

THE desire for the conclusion of a Treaty of Commerce between Russia and the Zollverein has been repeatedly expressed by several Representatives of German commerce, especially in those Prussian provinces which border Russia. But the desire has not been confined to the conclusion of an ordinary Commercial Treaty, of which many hundreds already exist between the several States of Europe, relating principally to the reciprocal treatment of ships, merchandize, and subjects. Such a Treaty is only of practical importance to those States which still maintain a system of differential duties in favour of the national flag, and of direct importation from the producing countries, and which will only admit exceptions when stipulated by Treaty. This, however, is not the case either with Russia or the States of Germany. A Treaty of a general kind would certainly be welcome, but it would not conduce very materially to the development of trade between the two countries.

It is not, therefore, an agreement of the ordinary description that is now considered of such vast importance, and that is so anxiously desired. It is rather contemplated to negotiate a Treaty which, by a comprehensive and seasonable modification of existing Customs duties and commercial regulations, will thoroughly and durably promote commercial intercourse between the countries of the Zollverein and Russia.

The Commercial Treaty concluded by Prussia, acting on the part of the Zollverein, with France on the 2nd of August, 1861, attained two important objects: It opened, first, an extensive French market to German industry upon the same favourable conditions as have been conceded to England and Belgium; and secondly, it laid the foundation of a reform in the Prussian Tariff which had become unquestionably necessary. Such a Treaty must of itself direct more than ever the attention of the commercial and industrial classes of Germany to the existence on the north-eastern boundary of the Zollverein, of a very extensive commercial region where the natural and prosperous course of international trade meets in a prohibitive and protective system the greatest hindrances and difficulties, from which no foreign country suffers so much as Germany. A Treaty of Commerce between Germany and Russia is in no danger of meeting with such a collision of opinions and interests as was unfortunately encountered by the Treaty of Commerce with France, of which the execution was consequently so long delayed.

After the second German Commercial Congress had met, and after the Permanent Committee elected by it had commenced its inquiries, a communication from the Chamber of Commerce of Posen on the subject of a Treaty of Commerce with Russia afforded the opportunity of discussing this subject.

The Committee made no delay in considering such an important question. It was first of all necessary to ascertain the wishes and opinions of the various Commercial Bodies of Germany, and to collect the most complete data bearing upon the subject. The inquiry increased in interest as it progressed, and was most seriously prosecuted when it became known that the Imperial Russian Government appeared, of its own accord, disposed to

enter upon the negotiation of a Commercial Treaty if the German States evinced a similar inclination.

The opinions of a great number of German Chambers of Commerce, and information procured from official statistical Returns and other authentic sources, have been most carefully examined and considered by the Permanent Committee, and the results of such investigation are set forth in the present Memorandum.

The following considerations have been chiefly kept in view in the preparation of this Report:—

It is necessary that the conditions of the proposed Treaty should be considered without any preconceived notions, and with all freedom and candour; that the data supplied by the various Chambers of Commerce should be made the best use of, and that no inquiry bearing on the subject should be omitted. The question to be dealt with being in some points of a peculiar nature, the Committee was of opinion that the Memorandum could not entirely avoid certain criticisms and conclusions which might seem to be beyond the limits of a negotiation. The Committee has, however, been chiefly influenced by the idea that, the conclusion of a Treaty of Commerce between Russia and the Zollverein is a task no less important and noble than that which was involved in the negotiation of the Treaty of Commerce between Great Britain and France in 1860, which, in reforming the French protective system, has been followed by such gratifying results. Nor could it be considered a task less important than the negotiation of the Franco-Prussian Treaty of August 2, 1861, which paved the way for a thorough revision of the Tariff of the Zollverein.

At the same time, owing to the great differences in circumstances, the Treaties just mentioned are not capable of exact application to Russia and Prussia.

Their tendency and fundamental principles are alone applicable; moreover, the practical details of a Russo-German Commercial Treaty demand special and independent investigation.

I. Development of the Russian Tariff from 1822 *to* 1857.

The necessarily primary condition of the conclusion of the Russo-German Treaty of Commerce proposed by this Memorandum is an immediate and contemporaneous change in the present Russian Tariff, and in some of the arrangements connected with it. If there should be no prospect of introducing such reforms in Russia at the present time, the idea of a Treaty had better be abandoned until the Russian Government evinces a more favourable disposition. An unprejudiced examination of the existing Tariff and of the impediments to trade in Russia dispels all doubt on this point.

It may be useful to state the following with reference to the development of the Russian Tariff.

After a comparatively liberal financial system, the Russian Tariff of 1823 established a prohibition of the strictest kind, which remained in force without any important change until 1850.

A considerable number of important articles of commerce which were considered capable of being produced in the country became subject either to a total prohibition, or to duties and forms of importation which limited their introduction by legal means to a minimum, or prevented it altogether. A superficial view of the subject and the prejudices then generally entertained, represented the new Tariff and its effect—the exclusion of all foreign competition—as the source of great prosperity and of industrial progress; for the system of prohibition led to the establishment of manufactories for spinning, for the production of cloth, cotton prints, silks, chemicals, refined sugar (colonial and beet-root); establishments which rose to considerable importance, and yielded extraordinary returns to their owners. The price paid for the artificial prosperity of these undertakings at the expense of general interests was entirely overlooked. In the same measure as the legal importation of foreign produce was impeded, an extended system of smuggling was established, combined with all the accessories and evils which need not here be specified; while capital, labour and intelligence, were directed towards the privileged branches of industry, agriculture and the peculiarly Russian industries with which it is intimately connected were comparatively neglected. Even the landed proprietors became estranged from their true interests, and, seduced either by a desire to please the Government, or by the hope of gain, neglected the rational management of their estates, and devoted their attention to manufacturing establishments, conducted and superintended by managers and clerks. The amount of capital invested in these privileged manufactories, and the number of hands employed in them, were regarded with peculiar satisfaction in Government circles, as well as the sums that were calculated to have remained in the country, instead of

going into the pockets of foreigners. But the reverse of the medal was completely overlooked, *i.e.*, the retrograde movement of agriculture, the condition of the essentially national industries, such as linen, hemp, leather, and the reduction of the export trade connected with them. Government maintained that the prohibitive system could have no real influence upon the sale of Russian produce abroad, as foreigners would, without reference to the imports or the duties levied on them, buy of the countries producing their requirements at the lowest price, and that the freight on bulky Russian articles of export could not be materially influenced by a reduction of the duty on yarns, tissues, and hardware.

Although this is to a certain extent true, yet the main objection is manifestly incorrect. The chief loss in the economy of the nation arising from a system of prohibition is the prevention, indirectly, of the development of natural production and industry, and which is at the same time an impediment to the profitable interchange of commodities with other countries. The advantages lost to the country through a prohibitive Tariff are certainly not so capable of arithmetical demonstration as the artificial gains accruing to isolated branches of manufacture created and supported by such a system. National economy was at that time, with few exceptions, imperfectly studied and understood by the statesmen and the public of Europe.

The Russian Government cannot therefore be blamed if it also shared in the general prejudice, and even surpassed other countries in the severe application of the so-called wholesome system of protection. But what, at all events in Russia, soon became very apparent was the failure of the prohibitive system in developing to the same degree as in other countries the industries that it favoured; for the production of yarns, tissues, hardware, and of almost all other articles remained comparatively bad and dear. Even those branches of production which had existed and improved under the previous liberal Tariff, decayed under the supposed protection of the new Tariff; as seen, for instance, in the history of that important branch of industry—the iron trade.

In the year 1850, when the Customs Union of Poland and Russia was effected, and the Russian Government decided upon moderating the prohibitive system in force, hopes were entertained of a suppression or reduction of the practice of smuggling, hitherto so much on the increase.

Many of the former prohibitions were removed and replaced by high import duties, while other duties were reduced. The new Tariff was, however, still far too high for the legitimate foreign trade to derive any material impulse from it. The official statistical Tables of Russia afford no evidence worthy of notice.

The alterations made in the Russian Tariff in 1857 were of greater importance. It was the beginning, at last, after a period of thirty-five years, of a real reform of the Tariff, although made at first in a very modest and unsatisfactory manner.

The Russian Tariff of $\frac{\text{May 28}}{\text{June 9}}$, 1857, was so far an improvement upon that of 1850, that the number of classified articles was reduced from 472 to 367, being a reduction of about one-fourth. The import duties are now divided into three classes, of which the first consists of articles that are duty-free; the second of those subject to a uniform duty of 20 copecks per pud;* and the third, and most important, embraces all those articles which are either variously taxed or altogether prohibited.† This last portion of the Tariff is again divided into four sections, namely:—

1. Articles of consumption;
2. Raw materials and half-manufactured goods;
3. Manufactures;
4. Sundries.

In addition to these classes, there is also a special division of the Tariff for drugs and chemicals.

The removal of prohibitions commenced in 1850 was continued in the Tariff of 1857, as, for instance, in the permission to import refined sugar in loaves by land and sea, pig-iron by land, and wrought-iron by sea, previously interdicted.

The duties substituted for the prohibitions were, of course, very high.

To the articles already free of duty were added, in 1857, books, engravings, and sulphur.

The revised Tariff of 1857 contained a reduction of duties upon the following articles amongst others:—

III, sec. 1. Chocolate, coffee, sugar, wine (with the exception of sparkling wines), Dutch herrings, and salt, if entered at certain points.

* 1*s.* 8*d.* per cwt. at the exchange of 32*d.*

† A new edition of the Tariff, with a further reduction of classes and a few other changes, was published in 1865.—T.M.

III, sec. 2. Cotton-yarn, ginger, madder, pig, bar, and sheet iron, quicksilver, silk, wool, and woollen yarn.

III, sec. 3. Leather gloves, tin goods, locksmith's work, glass, cotton goods, woollen and silk goods, earthenware and china.

Since 1857 the following reductions, amongst others, have taken place:—By Ukase of $\frac{\text{March 30}}{\text{April 11}}$, 1861, the importation of tea on the European frontier was permitted. An Ukase of March 14, 1863, enacted certain modifications in the sugar duties. A whole list of reductions was further published on the 9th July, 1863, viz., on spices, rum, arrac and French brandy, cheese, indigo, silk, earthenware, cotton, linen, and woollen goods, cabinet work, writing-paper, &c.

However worthy of acknowledgment may be the main tendency of the modifications which have taken place in the Russian Tariff since 1857, it cannot, upon more careful consideration, be denied that the changes are very far from being sufficiently comprehensive for any practical influence upon the development of the foreign trade of Russia. T Russian Tariff at present in operation (December 1863) is still of a character hostile to commerce, and demands the most thorough reform, as will hereinafter be shown.

*II. Evils and Disadvantages of the present system of levying Customs duties in Russia.**

No well-founded objections can be raised against the classification of the Tariff; it is, at least as regards clearness of arrangement, by no means surpassed by the Tariff of the Zollverein, which cannot be recommended as a model in its present form. It is certainly very desirable when the Zollverein Tariff shall have been revised that a judicious and uniform system of classification and arrangement should be adopted by both countries.

Such a uniformity would very much facilitate intercourse between the two countries, and especially the border traffic, and would also considerably simplify the control of the Customs.

The Russian Government has on several occasions made known in an officious manner that it is favourable to the introduction of the metrical system of weights and measures now so widely used, as soon as it shall have been accepted by a still greater number of commercial countries.

The adhesion of Germany to the system of metrical weights was wisely preceded by the introduction of the Zoll centner, of 100 lbs. metrical weight.

The Russian Government might, perhaps, be urgently recommended to consider whether the reconstruction of its Tariff should not be accompanied by the introduction of the metrical system, taking a metrical standard as Customs weight.

A uniform system of weights would be a very considerable convenience to the international goods traffic by railway.

As already stated, the number of articles in the Russian Tariff of 1857, compared with that of 1850, was reduced one-fourth, and now amounts to 367 on imports. This number should be still further reduced, and all similar articles included in the same group. It would make no great difference in the revenue if some of the articles were included in a lower class of duties. A great many troublesome delays in the calculation of duties, as well as many frauds to the prejudice of honest traders, would thus certainly be avoided.

The present Russian Tariff, notwithstanding the great number of articles described in it, is full of imperfections and uncertainties, as is manifest from the many Ukases and regulations that have been published since the date of its enactment.

The Department of Foreign Trade issues, in reply to inquiries from Customs officers, in special and doubtful cases, as to the amount of duty to be charged, &c., so-called "Departmental Ordinances" addressed to the inquirers, and published in monthly circulars. These orders are often only sent to the Custom-houses, without being made generally public, so that even the clearing agent is only informed of an alteration in the law when a corresponding case actually occurs.

Of course the newspapers of St. Petersburg announce to the commercial public any alterations in the Tariff which may have been made; but still it must be very difficult to notice every individual case amongst the constant-alterations and explanations thus published. It is an unmistakeable evil that a new edition of the Tariff is not published every year; and that even the modifications which have taken place in the General Tariff since its last publication are not issued year by year in a form accessible to the parties interested.

* We may mention here, once for all, that the present Memorandum treats only of the Customs relations of Russia with Europe, and that the exceptionable circumstances on the Asiatic boundary are not here taken into consideration.

The necessity of an exact knowledge of all Custom-house arrangements to the foreign consigner is proved by the frequent claims made by consignees on the ground of incorrect declaration.

The uncertainty of the Tariff, and the danger of confiscation, may, it is true, be avoided by simply declaring "contents unknown," and leaving the specific declaration to be made by the Russian Customs Officers, or by declaring the goods for "special revision;" but in these cases the already high duty and accompanying charges are increased by an addition of 10 per cent., rendering competition in goods all but impossible.

In those cases where foreign imported goods are not denominated in the Tariff, the fifth supplement stipulates that they shall be passed under that article of the Tariff to which, in nature and quality, they most nearly approximate.

The Department of Foreign Trade must be immediately informed of all such approximate classification of goods, and a sample must be sent to them; the goods being delivered to the owners after the discharge of the duties and expenses. In some cases this principle is fairly carried out, particularly when there is very little doubt as to the impossibility of entering the goods under any existing article, and when it is possible to take a sample without damaging the bulk. In other cases, however, when the rate of duty to which the goods are liable might easily be pointed out, great loss of time and money is occasioned, and a favourable market frequently lost.

In some of the larger Custom-houses improved regulations have in this respect been recently adopted, by which the consignee of the goods can receive them, by binding himself to submit to the subsequent decision of the Customs Department. It is, however, in every respect highly desirable that the Tariff should be made systematic and complete in its denomination of goods, so as to render tedious and vexatious delays exceptional.

In the case of certain articles, plain flax and hemp tissues, ready made clothes, hats, and real cashmere shawls, the present Russian Tariff substitutes *ad valorem* duties for specific rates.

This system is to be commended in respect to goods for which there is no distinct classification, providing its adoption is not attended by delays and other evils. According to the present law the declaration of value made by the owner or his agent, as well as the goods themselves, must lie open for the inspection of all the Customs officials until the duties are paid. The delivery of the goods follows only after a stated period. If, in the meantime, a Custom-house officer reports that the goods have been declared too low, they are detained, and should his report be found correct, the goods are seized and the owner is paid the amount of the value declared, with the addition of 10 per cent., after which the goods are sold by public auction.

The articles of clothing imported into Russia were, and still, to some extent, are, of the lowest and cheapest description. They are comparatively dear in Russia, and it might easily happen that the declared value of 20 silver-groschens for a vest, 1 thaler for a pair of trowsers, 10 thalers for a coat, 5 to 7 thalers for a lady's mantle, would appear incredibly cheap. But whatever may be the result of the official valuation to the proprietor of the goods, or whether his speculation be attended with loss or gain, business itself suffers from the delays incurred through such a slow and tedious mode of procedure. In the reform of the Russian Tariff it would be very desirable, for the sake of the honest trader, that the same reasons which actuated the Zollverein should induce the Russian Government to abolish all *ad valorem* duties, and replace them generally by specific rates.

Complaints have been made in some quarters respecting the imperfect definition of tare in the Russian Tariff, its description being very incomplete; and for a great number of articles which are difficult to pack, the highly desirable specification of allowance for tare is totally wanting in the Russian Tariff.

Many articles are liable to considerable damage at the Custom-houses in unpacking, which is carelessly and unskillfully done, nor can they ever be repacked in the same workmanlike manner. A certain specified allowance for tare is urgently desired by toy manufacturers, whose goods require such various methods of packing. In many cases the owners would rather suffer a slight loss, with a fixed rate of tare, if the duty were not excessively high, than the risk incurred through the unpacking and repacking of their goods.

This Memorandum cannot ignore a principle which has been applied to very many articles in the Tariff, viz., *that of differential duties, or the admission of goods overland at lower rates of duty than by sea.* A desire has been urgently expressed on the part of several seaports for the reduction of the higher duties to which goods imported by sea are now subjected.

On the other hand, certain German trading communities have as urgently recommended a continued reduction of the duties on overland importation.

It is urged, amongst other arguments in favour of these differential duties, that the goods imported by sea are of a cheaper and more bulky description than those introduced overland, and that differential duties are moreover necessitated by the peculiar position of Russia.

A regular traffic is pursued overland, not only in winter, when the shipping is frost-bound and when, consequently, large quantities of goods must necessarily be dispatched by that route, but also, although to a less considerable extent, during the rest of the year. Further, the reduction of the expense of land carriage is stated to be only a fair compensation for the assurance of facilities to the trade of the Polish provinces which have been given in times past; and finally, that the custom being of many years' standing, the interests which have grown out of it demand its continuance.

It must suffice in this Memorandum to call attention to the several views and wishes expressed with reference to the existing differential duties in favour of imports overland, or, as it may be termed, the extra charge upon imports by sea. The Russian Government will probably reserve its decision with respect to an equalization of the duties upon imports by sea and land, until the benefits expected to result from the increased commercial intercourse between Russia and Germany, on the conclusion of a Treaty of Commerce, shall have been realized. In order to simplify the Tariff on its reconstruction and reduction, it seems desirable not to relieve the imports by land by substituting lower specific duties on each article, but by a general reduction of say 10 per cent. upon fixed rates.

The several rates of Customs duty levied by the Russian Government have now to be considered.

This Memorandum cannot attempt to criticize the present Tariff of Russia in all its details, still less to submit the draft of a new Tariff. As the wishes and proposals of the various Chambers of Commerce will be found detailed in Appendix B, to which reference must here be made (without undertaking any responsibility on the part of the permanent Committee of the Commercial Congress), this Memorandum will only deal with some of the important rates of duties in the Tariff, which will be compared with corresponding duties in the present Tariff of the Zollverein, as settled by the Franco-Prussian Treaty of Commerce of August 2, 1861.

In order to facilitate examination and comparison, the Russian Customs duties are calculated in centners metrical weight and in German thalers. The calculations of the approximate values of articles which come under the first two sections of the third division of the Russian Tariff (articles of consumption, as also raw stuffs and half-manufactured goods) have been chiefly made upon the basis of the yearly averages extracted from the commercial statistics of Hamburg, for the five years between 1858 and 1862. On the importation of dutiable articles into Hamburg, their real value on the day the duty is paid must be stated on oath, for the purpose of assessing an *ad valorem* duty of $\frac{1}{2}$ per cent. From the insignificance of the duty, and the check afforded by the price currents, the declarations thus made will be materially correct. Now, as Hamburg is a market for the whole world, and where the goods of all countries are collected, and as the declarations are made throughout the whole year, the average of the aggregate declarations during one year, for any article, may be justly taken as an accurate average price. The extended average of five years is sufficient to compensate for any possible variation in a single year, and is well adapted to the purpose of this Memorandum, especially as regards cotton, raw and manufactured.

It is scarcely necessary to say that the average prices here quoted have only the importance of approximate valuations, sufficient, nevertheless, for our present purpose. Individual cases will often occur showing a greater or less deviation from the average values. Notwithstanding, however, the imperfection of such ascertained values, though prepared with the utmost care, they form, together with the per-centages deduced from them, the only practical basis for estimating and comparing relative and individual rates of duty. Any alteration of the Tariff must, after all, be chiefly based on an estimate of the relation which the duty imposed bears to the value of the dutiable article.

We begin with a comparison of some of the most important articles of the first section of the third division of the Russian Tariff, which includes provisions and the necessaries of life generally; colonial produce and wine occupying the most prominent position for fiscal purposes.

Class in Russian Tariff. (Germ. ed.)	Description of Goods.	Russian Tariff. Weights or Measures.	Rate of Duty.	Equivalent of Duty per centner.	Average Value per centner 1858–62.	Relation of Duty to Average Value.	Class in Zollverein Tariff.	Description of Goods.	Rate of Duty, per Centner.	Average Value per centner, 1858–1862.	Relation of Duty to Average Value.
			S. r. cop.	Thr. sgr.	Thalers.	Per cent.			Thr. sgr.	Thalers.	Per cent.
	Tea,* black .. .. By sea† ..	Per pound ..	0 35	46 4	50	92	II 25 *w*	Tea	8 0	54	15
	.. .. By land ..	,, ..	0 30	39 16		80					
	,, other sorts .. .. By sea‡ ..	,, ..	0 65	85 20	70	122					
	.. .. By land ..	,, ..	0 60	79 3		113					
93	Coffee .. .. .. By sea ..	Per pud ..	2 50	8 7	19	43	II 25 *m*	Coffee	5 0	19	26
	.. .. By land ..	,, ..	2 35	7 22		41					
96 *a*	Sugar,§ raw and crushed, of all sorts .. .. By sea ..	,, ..	3 0	..	8	103	II 25 *x*	Sugar,* raw and crushed, of all sorts ..	4 7½	8	53
	.. .. By land ..	,, ..	2 0	8 7							
96 *b*	Sugar, refined, in loaves .. By sea ..	,, ..	2 50	16 14	13	127					
	.. By land ..	,, ..	4 0	13 6		102	,,	,, refined, in loaves	7 10	13	56
130	Syrup	,, ..	1 0	3 9	3¾	88	II 25 *u*	Syrup	2 15	3¾	67
131 *a*	Tobacco, in leaves	,, ..	6 0	19 23	24	82	II 25 *v*	Tobacco, in leaf	4 0	24	17
131 *b*	,, cut	,, ..	24 0	79 3	36	210	,,	,, cut	11 0	36	31
131 *c*	Cigars	Per pound ..	2 0	263 19	164	161	,,	Cigars	20 0	164	12
115 *a*	Wine,‖ in casks	Per pud gross	2 10	6 28	8	87	II 25 *f*	Wine,† in casks	4 0	8	50
115 *b*	,, sparkling, in bottles	Per bottle ..	0 90	34 21	37	94	,,	,, sparkling, in bottles	4 0	37	11
115 *c*	,, other sorts, in bottles	,, ..	0 30	11 17	24	48	,,	,, other sorts, in bottles	4 0	24	17
107	Rum,‖¶ arrac, French brandy	Per pud gross	7 75	25 16	9**	284	II 25 *g*	Rum, arrac, French brandy	6 0	9‡	67
110	Beer,‖ in casks	,, ..	2 40	7 27	4	198	II 25 *a*	Beer, in casks	2 15	4	63
122	Cheese¶	Per pud ..	4 50	14 25	17	87	II 25 *o*	Cheese	3 20	17	22

* In the Tariff of 1857 the importation of tea, otherwise than overland from China, was prohibited, the Russian-American Company being alone privileged to import a certain quantity by sea, direct from China. The importation of tea by other routes was permitted by Ukase of March 31, 1861.

† A uniform duty of 35c. per lb. by sea and by land is now levied.—T.M.

‡ A uniform duty of 50c. per lb. by sea and by land is now levied.—T.M.

§ The sugar duties were rearranged by Ukase of March 14, 1863.

‖ The duties are upon the gross weight, as in the Zollverein Tariff.

¶ By Customs Ordinance of July 21, 1863.

** This average is only for rum.

* Used for sugar boiling.

† As settled by the Prusso-French Treaty of Commerce.

‡ Only for rum.

An examination of the above Table will show that, in comparison with most countries, the principal fiscal duties are excessively high in Russia. Their reduction is, therefore, one of the most important considerations in the present inquiry.

It will not be denied, after an impartial examination of the foregoing facts and figures, that, on a revision of the Tariff, the Russian Government should, for the sake of a very considerable increase of revenue, apparently so necessary, direct most of its attention to the articles above quoted, which, in all civilized States, form the chief sources of Customs' revenue. An increase of revenue would also be attained if, along with an improvement in the administration of the Custom-houses on the frontiers, the enormous disproportion of most of the duties to the average value of the goods were removed, and with it the otherwise irrepressible attraction of the smuggling trade. By such alterations the Russian Tariff would be very closely assimilated to that of the Zollverein. When this is done, and when, in continuation of the same policy, the duty on colonial sugar is judiciously assimilated, as in the Zollverein, to that upon beetroot sugar, the public revenue would be much improved, firstly, by an effectual prevention of smuggling, and, secondly, by the increased consumption produced by a material reduction in prices. Nor should it be forgotten that universal experience shows how a gradual and moderate reduction of very high duties upon articles of very general use, and capable of still greater consumption, has not by far such favourable results, economically and financially, as a wholesale reduction. Thus, while a remission of 10 to 20 per cent. of an excessive duty on foreign goods has no perceptible influence upon their importation, a reduction of 50 per cent. or upwards produces, on the contrary, such an increase of consumption as to yield an equal or even larger revenue than a limited consumption and a manifold evasion of lawful traffic under excessive duties.

We now come to the subject of raw materials for manufactured and half-manufactured articles, of which a few of the most important are shown in the accompanying Table.

RUSSIA.

Class in Russian Tariff, 1857 (German Edition).	Raw Materials.	Russian Tariff. Weight or Measure.	Russian Tariff. Duty.	Russian Tariff. Equivalent in German money, per centner.	Average value for the years 1858-62, per centner.	Relation of the Duty to the Average Value.
			S.R. c.	Th. sgr.	Thalers.	Per cent.
134	Cotton, raw*	pud	0 25	0 25	23	4
135	Cotton yarn, white	,,	3 50	11 16	44	26
136	,, dyed, of all colours, including those of mixed white and coloured threads	,,	5 0	16 14	90	18
174	Linen, hemp, and tow yarn, twisted, bleached or unbleached, dyed or undyed, and including sewing thread	,,	3 0	9 27	49	20
196	Wool, sheep, raw, dyed	,,	0 40	1 10	69	2
197	Woollen yarn, for weaving, sewing, embroidery, and lace working, mixed or unmixed with cotton, flax, or hemp, dyed or undyed	,,	4 0	13 6	97	14
170 *a*	Skins, prepared, small; sheep, goats, bucks, young bucks, lambs, dogs, chamois, and calf skins, tanned and lacquered, also morocco of all sorts	,,	10 0	32 29	59	40
170 *b*	Skins prepared, large, oxen, cow, horse, and other hides, tanned, steeped in alum, lacquered, &c.	,,	4 0	13 6		
157	Indigo†	,,	3 0	9 27	239	4
184	Oil, wood, olive, linseed, hemp, &c., cocoa, palm, &c., in casks	By sea ,, land	1 85 1 25	6 3 4 4	14	43 30
183 *a*	Zinc, in pieces	,,	0 60	1 29	7	28
183 *b*	,, in plates	,,	0 90	2 29	9	33
176	Iron,‡ bar, plate, and old broken iron	,,	0 35	1 5	$2\frac{3}{4}$	42
177	,, assorted	,,	0 45	1 14	$3\frac{3}{4}$	39
178	,, boiler, still, and sheet iron	,,	0 70	2 9	4	58
179	,, cast	,,	0 5	0 5	$1\frac{1}{4}$	13

ZOLLVEREIN.

Class in Zollverein Tariff. (Franco-Prussian Treaty.)	Raw Materials.	Zollverein Duty, per centner.	Average value per centner, 1858-62.	Relation of Duty to Value.
		Th. sgr.	Thalers.	Per ct.
II, 2 *a*	Cotton, raw	Free	23	0
II, 2 *b*	Cotton yarn, mixed or unmixed with wool or linen, single and double, raw	2 0	38	5
	Ditto ditto bleached and dyed	4 0	45	9
	Ditto, three or more fold, raw, bleached, or dyed	6 0	57	11
II, 22 *a*, *b*, *c*	Linen, hemp, and tow yarn, raw, machine spun	2 0	46	4
	Ditto ditto hand spun	0 5	43	0·4
	,, bleached, also merely boiled, or boiled in potash, also dyed	3 0	150	2
	,, twist, raw, bleached or dyed	4 0	70	6
II, 41 *a*	Wool and goats' hair, raw	Free	69	0
II, 41 *b*	Woollen yarn or goat's hair yarn, or mixed with silk, single, undyed or dyed, double undyed	0 15	82	0·6
	Woollen yarn, double dyed, three or more fold, twisted, undyed, or dyed	4 0	100	4
II, 21 *a*, *b*	Hides, prepared pale leather, soles, calf skin, saddlers' leather, boot fronts, Moscow leather, chamois, and white leather	2 0	36	6
	Hides, Brussels and Danish glove leather, Kordnan, Morocco, and all coloured and lacquered leather	8 0	120	7
II, 5 *e*, 3	Indigo	Free	239	0
II, 26 *a*, *b*	Wood oil in casks, according to the Customs' regulations	Free	18	0
	Other oil in casks	0 15	13	4
II, 42 *a*, *b*	Zinc, in pieces (raw)	Free	7	0
	,, plates (zinc tinned)	0 15	9	6
II, *b*, *a*	Iron, raw of all sorts	0 $7\frac{1}{2}$	$1\frac{1}{4}$	20
II, 6 *b*, *c*	,, wrought and rolled iron in bars, rails, steel	0 25	$2\frac{3}{4}$	30
II, 6 *d*	,, wrought iron in bars, iron for rough portions of machinery and carts, ploughshares, black sheet iron, &c.	1 5	$3\frac{7}{8}$	30

* The duty on Raw Cotton has since been abolished.—T. M.

† According to the Customs' Ordinance of July 31, 1863.

‡ According to the Customs Ordinance of June 16, 1859.

It will be seen that with regard to raw and half-manufactured materials, the present Russian Tariff imposes, almost throughout, considerably higher duties than the Tariff of the Zollverein, in which a number of necessary and important articles are already, or at all events soon will be (when the Franco-Prussian Treaty comes into operation), either totally free of duty, or subject to a merely nominal rate.

The home manufacturer has a claim to obtain his raw or half-manufactured material free of duty, or at all events at a very low rate, if he is to be able to compete with an importation of foreign goods, under a revised and reduced Tariff, particularly if it shall, and justly, be considered inexpedient to introduce the system of drawbacks.

The principle of indirect taxation which is being more and more recognized in all civilized countries, as well as the results obtained since its adoption, demand that industry and commerce (excepting the tax upon trades and professions), should not be looked upon as sources of revenue, and consequently that the importation of raw or half-manufactured materials should not be burdened with high duties, but that duties for fiscal purposes should be imposed chiefly upon foreign articles of consumption, not included among the necessaries of life, and that revenue should be raised from the importation of manufactured articles alone, tools and implements excepted. If Russia intends to share in the progress of other countries, and if the contemplated reform of its Tariff is not to be merely a palliative measure, based on no system, the above considerations must be kept in view and acted upon.

From this point of view, it appears that a reference to raw and half-manufactured materials need not be made in the Treaty of Commerce, as this will not, of course, embrace the whole Tariff, but merely certain categories, after the model of the Anglo-French and the Franco-Prussian Treaty of Commerce. The duties for these articles will, by an inherent necessity, conform to the interests of the native industries.

In general, in the reform of the Tariff the Russian Government might be recommended to assimilate it to that of the Zollverein with respect to raw and half-manufactured materials, as well as in regard to foreign articles of consumption.

The principal difficulty encountered in the conclusion of the Commercial Treaties between England and France, and between Prussia and France, was the fixing of a maximum for import duties upon a number of important manufactures. The determination of a maximum rate is the most important part, and the basis, of the reform of the French and German Tariffs; and it is therefore a question which the present Memorandum must specially keep in view. It would obviously lead us too far to examine all the articles of the Tariff, but we must not shrink from the task of dealing in detail with tissues and iron wares, as forming the two most important items in international commerce. It has already been stated that the relation of the duty to the value of an article furnishes the best basis for the examination and classification of Customs duties.

In criticising, therefore, an existing system of duties, it is of great importance with respect to manufactures to discover their average value with the greatest accuracy. The extraordinary variety in the price of one and the same article, according to quality, and even for the same quality at different periods, and still more the great variations of price for a manufacture of similar weight, but of an essentially different kind, included with more or less practical reason under the same class in a Tariff, are all causes which render it extremely difficult to obtain such an accurate average of values as might be desired. In order to estimate the average value of articles included under a general classification not only must the average prices of several single years be combined with the average of several years together, and the same with the average qualities of the respective articles; but it must moreover be determined, approximately, in what proportion the various articles are used. As regards this, however, it must be observed that the effects of a certain system of duties in operation is not to be accepted as satisfactory data, as circumstances would probably be essentially changed under an alteration of duties.

For the sake of perfect exactness, the real value of an article should be the price for which it might be obtained for ready money at the place of its manufacture. As such a method of computation would obviously be highly inconvenient, it is advisable to adopt the next best system, that of taking the price of goods where they are subject to a small or merely nominal duty, and where, at the same time, in consequence of an extensive trade with places far and near, goods of all sorts are both imported and exported in large quantities. In all these respects the average valuations taken from Hamburg returns for the five years between 1858 and 1862 appear best adapted to our purpose, and are consequently made the basis of our further conclusions. This explains why the averages, although naturally a small per-centage higher than at places of production are, nevertheless, lower than those given in many other official statements.

Besides, considering the highly excessive range of the duties in the Russian Tariff

now under consideration, it is not very material if the average prices are quoted 10 per cent. higher than they perhaps should be. It is, on the contrary, of much greater importance for our present purpose that all the average values should rest upon a common basis, and be calculated according to a similar classification.

Having already taken as the basis of our calculations the Hamburg average values of Colonial produce, raw materials, and half-manufactured articles, it will also be best as regards manufactures (and especially cotton goods) to take the Hamburg averages obtained in the same manner. The average prices quoted in Russian Official Commercial Returns, in the calculation of the value of imports (vide Appendix E), are almost throughout far too high, and cannot therefore be made the basis of our computation of Customs duties.

We call especial attention to this subject, as the opponents of a liberal system of duties in Russia will base their arguments on the values given in their own official publications.

REFORM CLUB
PALL MALL

RUSSIA.

Class in Russian Tariff, 1857. (German Edition.)	Woven Manufactures.	Russian Tariff. Weight or Measure.	Russian Tariff. Duty.	Russian Tariff. Equivalent in German money, per centner.	Average Values, 1858–62, per centner.	Relation of Duty to Average Value.
			S.R. c.	Th. sgr.	Thalers.	Per cent.
	Cotton Goods:—					
213	Cotton webs, close, of all sorts (except those under Class 214), as calico, percal, jacconets, dimity and cambric quiltings, fustian, nankins, brilliants, tickings, "half-cotton" and other like stuffs, unbleached, bleached, or dyed, one or more colours ..	per lb.	0 35	46 4	80	58
214	Ditto, printed or embroidered; also Manchester velvet, one-coloured cotton velvet; printed or woven fabrics of one or more colours..	,,	0 65	85 20	100	86
215	Light cotton textures, as muslins of all sorts, for dresses or curtains, tarlatan, book muslin, cotton batiste, Nansouck or Indiana, and other like stuffs	,,	1 0	131 25	120	110
216	Ditto, printed..	,,	1 40	184 16	140	132
	Linen and Hemp Goods:—					
218	Flax or hemp linen, mixed or unmixed with cotton, bleached or unbleached, dyed of one colour, or woven of divers colours, excepting printed and the manufactures named in paragraphs 220 and 224	ad val.	By sea 25 p. cent. By land, 23 p. cent	..	120	25 / 23
219	Batiste, cambric and lawn, bleached or unbleached, plain, dyed, woven of divers colours, and printed, of pure flax, or mixed with cotton, in pieces or handkerchiefs	per lb.	1 25	164 23	120	137
220	Sailcloth, ticking for mattresses, dyed of one colour, woven of various colours, and other coarse twilled flax and hemp tissues, mixed or unmixed with cotton, with the exception of "kolomianka," of all sorts, for trousers, vests, coats, &c.	..	0 10	13 5	20	66
221	Table-cloths, towels, napkins, &c.	,,	0 65	85 20	50	171
226	Silk stuffs not transparent	,,	4 0	527 8	1,200	44
228	Ditto. transparent or semi-transparent, as gauzes, muslins, crapes, &c.	,,	7 0	922 22	1,500	61
229	Silk hosiery and haberdashery of all sorts, mixed or unmixed with cotton, flax, hemp, or wool	..	2 0	263 19	370	71
232	Woollen tissues, milled stuffs, cloth, half-cloth, ladies' cloth, castor, vicuna, cashmere and cashmere tricot, &c.	,,	1 40	184 16	200	92
233	Petershams and all napless woollen trouser stuffs, &c.	,,	1 0	131 25	100	132
234	Flannels, velveteen, plush, frieze, &c.	..	0 70	92 8	50	185
236	Carpets of all sorts and sizes, and "reps," &c.	..	0 40	52 22	105	50
237	Close stuffs made of combed wool, under whatever name, as camlets, barracan stuffs, cassinettes, &c.	,,	0 50	65 27	190	35
238	Ditto, printed and embroidered	,,	0 70	92 8	230	42
239	Unmilled stuffs, light stuffs of combed wool, under whatever name ..	,,	1 20	158 6	230	69
240	Ditto, printed	,,	1 60	210 27	280	75
244	Hosiery and haberdashery of all sorts, white, coloured, variegated, and embroidered; also haberdashery of pure wool, or mixed with cotton or flax, white, one coloured, and variegated	,,	0 50	65 27	230	29

ZOLLVEREIN.

Class in Zollverein Tariff. (Franco-Prussian Treaty).	Woven Manufactures.	Zollverein Duty, per centner.	Average Value for 1858–62, per centner.	Relation of Duty to Average Value.
		Th. sgr.	Thalers.	P. ct.
II, 2 *c* ..	Cotton goods, with or without linen or tinsel, without mixture of silk, wool, or goats' hair—			
	(A.) Raw (made of raw yarn) and bleached thick close cloths, also finished, with the exception of velvetty tissues..	10 0	80	12½
	(B.) All close tissues, not included under letters (A) or (C), raw (made of raw yarn) thin cloths, hosiery, upholstery, and button cloths..	16 0	110	15
	(C.) All light tissues, as jacconets, muslin, lace, marly, gauze, so far as not included under letter (B); lace, embroidery, and millinery.	30 0	140	21
II, 22 *d* ..	Grey packing canvas and sailcloth	0 20	20	3
II, 22 *e* ..	Linen, twilling, and drilling, raw	4 0	50	8
II, 22 *f* ..	Ditto, bleached, dyed, printed, or otherwise dressed; also linen made of bleached yarn, twills and drills bleached or otherwise dressed; table and bed-linen and towelling, raw or unbleached and worked; linen frocks and new wearing apparel; battiste and linen	10 0	80	12½
II, 22 *g* ..	Ribbons, battiste, borders, fringes, gauze, cambric, woven trimmings, laces, stockings, spun articles, and cords of tinsel and flax	20 0	150	13
II, 30 *b* ..	Silk tissues and stuffs, hosiery, shawls, blonde, lace, nets, crape and gauze, fringe and button-makers' wares, embroidery, and millinery; spun and cord wares mixed with tinsel and silk; gold and silver stuffs (real or imitation); ribbons, borders, or laces; goods of waste silk or of silk and waste silk	40 0	1,250	3
II, 30 *c* ..	All the above-named articles, in which (beside silk and waste silk), wool, hair, cotton, linen, are mixed, singly or together, with the exception of gold and silver stuffs	30 0	370	8
II, 41 *c* ..	Woollen goods, including goats' hair, pure or mixed with other materials, except silk; carpets ..	10 0	105	9½
II, 41 *d* ..	Milled unprinted goods of cloth, stuff, and felt; hosiery	10 0	80	12½
	Unprinted, unmilled goods, fringe and button-makers' goods	20 0	235	8½
	Printed goods of all sorts	25 0	260	10
	Embroidery and millinery	30 0	400	7½

RUSSIA.

Class in Russian Tariff, 1857 (German Edition).	Metallic Manufactures.	Russian Tariff. Weights or Measures.	Russian Tariff. Duty.	Russian Tariff. Equivalent in German Money per centner.	Average Value, 1858–62, per centner.	Relation of Duty to Average Value.
			S.R. c.	Th. sg.	Th. sg.	P. ct.
302	Iron: blacksmith's work, *i.e.*, iron manufactures of all sorts, forged but not filed or polished, such as anchors, nails, &c., also manufactures of sheet iron not tinned	per pud	1 0	3 9	7 15	44
303	Iron and steel wire, and steel strings for musical instruments, inclusive of the weight of the rollers on which they are wound	,,	1 80	5 28	5 22½	104
304	Tin-plates in sheets, varnished or unvarnished	,,	1 50	4 28	8 0	62
305	Manufactures of tin-plate, also all tinned iron-ware not painted	,,	2 50	8 7	15 0	55
306	The same painted with pictures, gilt, or with other ornaments	,,	8 0	26 11	31 0	85
307	Scythes and sickles, great and small, chaff cutters, and chopping knives ..	,,	0 40	1 10	15 0	9
308	Cutlery set in wood, horn, bone, whalebone, and other cheap materials, scissors, pincers, and generally all sorts of iron and steel instruments, except the instruments mentioned in § 309	,,	0 40*	1 10	65 0	2
309	Saws, files, saw-files, rasps, &c., and other tools of iron or steel, or with an admixture of copper or brass, also tinned instruments, &c... ..	by sea by land	0 80 0 50	2 19 1 19	37 0	8 5
310	Needles for sewing, and all sorts except those mentioned in § 311 ..	per pud	1 50*	4 28	96 0	5
311	Packing, harness, saddlers' and sailmakers' needles, as also knitting needles	,,	0 25*	0 25	43 0	2
312	Manufactures of iron and steel wire, except those specially mentioned, also wire covered with cotton, silk, or linen yarn	,,	4 0	13 6	20 0	66
313	Locksmiths' work of all kinds, not polished, as locks, padlocks, hinges, pincers, springs, awls, screws, and other articles which do not come under the head of blacksmiths' work, with or without an admixture of copper or brass	,,	4 0	13 6	19 0	70
314	The same, polished or plated with copper	,,	8 0	26 11	39 0	74
315	Articles in cast steel, weighing more than half a pud and not coming under any other class of the Tariff, such as bells, mortars, cooking plates; also springs and axletrees for carriages	by sea by land	1 50 1 0	4 28 3 9	22 15	22 15
316	Articles of cast-iron, not specially mentioned..	by sea by land	0 80 0 50	2 19 1 19	3 22½	70 45
317	Cast-iron utensils, enamelled	per pud	1 20	3 29	7 0	57

ZOLLVEREIN.

Class in Zollverein Tariff (Franco-Prussian Treaty of Commerce).	Metallic Manufactures.	Zollverein Duty, per centner.	Average Value, per centner, 1858–62.	Relation of Duty to Value.
		Th. sg.	Th. sg.	P. ct.
	Iron and steel—			
II, *b*, *f*, 1	Very low cast-iron goods in ovens, plates, grates, &c.	0 12	3 22½	11
II, *b*, *f*, 2	Low goods of wrought or cast-iron, iron and steel, sheet iron, steel and iron wire, also in combination with wood, but not polished, as anvils, spits, chisels, and crowbars, wire net, tripods, traps and spears, dung, hay, and oven forks, rakes, drag-slippers, horse-shoes, cramp irons, trowels, kettles, chains (excepting anchor and ships' chains), cooking vessels, nails, wire tacks, cast tacks and screws, pans, flat-irons, low or coarse rings, gridirons, shovels, forged or cast raw keys, sledge-hammers, screw-bolts and nut-boxes, pokers, large scale beams, waggon, door, and trunk fastenings, waggon springs, and similar articles, not being completely polished, varnished, coppered, or tinned	1 10	9 15	14
	Other articles entirely polished, varnished, coppered and tinned, as axes, hatchets, sword-blades, files, hammers, clamps, hinges, hatchets, plane irons, coffee-roasters and coffee-mills, locks, screw-drivers, coarse knives for mechanics, scythes, sickles, chisels, curry-combs, turret-clocks, scissors for clothiers and tailors, tongs, &c.	2 20	26 0	10
II, *b*, *f*, 3	Articles of fine cast-iron, polished iron or steel, as cast-iron lacquered wares, knives, scissors, sword cutlery, &c., with the exception of the under-mentioned articles	4 0	49 0	8
	Sewing-needles, pens of steel and other base metals, clock furniture, arms of all sorts, ornaments, so far as they do not belong to jewellery and fancy wares ..	10 0	74 0	13½

302.—That this class includes wrought iron only is contradicted by the fact that it admits light anvils, which are always partly polished. It is therefore assumed that all heavy smith and other tools, partly polished, belong to this class.

303.—It seems surprising that objects of such different value as iron and steel wire should be admitted under the same duty. It would certainly often be very difficult to distinguish the one from the other; and the quantity of steel wire consumed bears, moreover, no comparison to that of iron.

305.—The words "not painted" should be changed to "not lacquered," as the usual painting of some tin goods is much cheaper than tinning.

306.—Here again it should be "the same articles lacquered," instead of "painted," as all the better articles are lacquered. For "painted" the value would be far too high.

315.—We have never seen mortars and cooking plates of cast steel, at all events the latter belong only to Class 316, as they are always of cast-iron.

* The duty on these articles is per pound, not per pud. The relation of duty to average value here shown is therefore quite wrong. *Vide* p. 19.—T. M.

The third section of the third division of the Russian Tariff includes, besides the tissues above mentioned, iron and steelware, the duties on a great number of which are in similar disproportion to the average value of the manufacture, even after the many modifications introduced into the Tariff since 1857. We may mention, as examples, §§ 206 and 207, "earthenware, white, of one colour, with simple edges and stripes," per pud 1 ruble 10 copecks, or 3 thalers 10 silver-groschen per centner; "the same ornamented," per pud 3 rubles 50 copecks, or 11 thalers 16 silver-groschen per centner (against 1 thaler 22½ silver-groschen and 2 thalers in the Zollverein Tariff, as regulated by the Franco-Prussian Treaty of Commerce); § 255, "concave glass, common and cut," per pud 1 ruble 50 copecks, or 4 thalers 28 silver-groschen per Zollverein centner; § 325, "writing paper," per pud 5 rubles 50 copecks, or 18 thalers 4 silver-groschen per centner.*

It is apparent from the foregoing Tables that, in its present condition, the Russian Tariff, even since the partial reductions made in 1857, displays a character quite hostile to commerce, and, in comparison with the Tariffs of other nations, imposes duties excessively high: reasons sufficiently strong for a thorough reconstruction of it. This conviction must be the basis and starting-point of a Treaty of Commerce between Russia and the Zollverein, and we therefore deem it our bounden duty to submit a general survey of the principal and ultimate results of our inquiries respecting a number of important classes in the Russian Tariff, comparing them with similar classes in the Tariff of the Zollverein.

Abstract of Comparison of Duties charged in Russia and the Zollverein

(Calculated per Centner in German Money.)

Articles.	Russian Tariff.†	Zollverein Tariff.	Relation of Duty to Approximate Average Value, according to the Hamburg Average of 1858–62.	
			In Russian Tariff.	In Zollverein Tariff.
			Per cent.	Per cent.
Articles of Consumption—				
Tea	46 th. 4 sgr., and 85 th. 20 sgr... ..	8 th.	92 and 112	15
Sugar	14 th. 25 sgr., and 16 th. 14 sgr.. ..	4 th. 7½ sgr., and 7 th. 10 sgr.	185 and 127	53 and 56
Coffee	8 th. 7 sgr.	5 th.	43	26
Wine, in casks	6 th. 28 sgr.	4 th.	87	50
Ditto, sparkling, in bottles	34 th. 21 sgr.	4 th.	94	11
Cheese	14 th. 25 sgr.	3 th. 20 sgr.	87	22
Tobacco, in leaf	19 th. 23 sgr.	4 th.	82	17
Cigars	263 th. 19 sgr.	20 th...	161	12
Raw and half-manufactured Materials—				
Cotton	25 sgr.‡	Free	4	0
Cotton yarn	11 th. 16 sgr., and 16 th. 14 sgr.. ..	2 th., 4 th., and 6 th. ..	26 and 18	5, 8, and 10
Linen yarn	9 th. 27 sgr.	5 sgr., 2 th., 3 th., and 4 th.	20	0·4, 4, 2, and 6.
Wool	1 th. 10 sgr.	Free	2.	0
Woollen yarn	13 th. 6 sgr.	15 sgr. and 4 th.	14	0·6 and 4
Indigo	9 th. 27 sgr.	Free	4	0
Wood oil and other oil in casks ..	6 th. 3 sgr.	Free and 15 sgr.	43	0 and 4
Zinc	1 th. 29 sgr., and 2 th. 29 sgr.	Free and 15 sgr.	28 and 33	0 and 6
Iron	5 sgr., 1 th. 5 sgr., 1 th. 14 sgr., & 2 th. 9 sgr.	7½ sgr., 25 sgr., 1 th. 5 sgr.	13, 43, 39, 58	20, 30 and 30
Hides, dressed	32 th. 29 sgr., and 13 th. 6 sgr... ..	2 th. and 8 th.	(40)	6 and 7
Manufactures—				
Cotton tissues ..	46 th. 4 sgr., and 85 th. 20 sgr... ..	10 th. and 16 th.	58 and 86	12½, 15, 21
	131 th. 25 sgr., and 184 th. 16 sgr. ..	30 th...	110 and 132	
Linen and hemp tissues	25 per cent., 13 th. 5 sgr.	20 sgr. and 4 th.	25 and 66	3 and 8
	85 th. 20 sgr., and 164 th. 23 sgr. ..	10 th. and 20 th.	171 and 137	12½ and 13
Silk goods	527 th. 8 sgr., and 922 th. 22 sgr. ..	40 th...	44 and 61	3
Mixed silk goods.. ..	263 th. 19 sgr.	30 th...	71	8
Woollen goods ..	52 th. 22 sgr., and 65 th. 27 sgr. ..	10 th. and 10 th.	50 and 35	9½ and 12½
	92 th. 8 sgr., and 92 th. 8 sgr.	20 th. and 25 th.	185 and 42	8½ and 10
	158 th. 6 sgr., and 210 th. 27 sgr. ..	30 th...	69 and 75	7½
	25 sgr., 1 th. 10 sgr., 1 th. 10 sgr. ..	12 sgr.	2, 9, 2	11
Iron goods§ ..	2 th. 19 sgr., 2 th. 19 sgr., 3 th. 9 sgr...	1 th. 10 sgr.	8, 70, 44	14
	3 th. 29 sgr., 4 th. 28 sgr., 4 th. 28 sgr..	2 th. 20 sgr.	57, 62, 5	10
	4 th. 28 sgr., 5 th. 28 sgr., 8 th. 7 sgr...	4 th.	22, 104, 55	8
	13 th. 6 sgr., 13 th. 6 sgr., 28 th. 11 sgr.	10 th...	66, 70, 85	13½
	26 th. 11 sgr.	.. ..	74	..

* All as modified, July 9, 1863.

† No notice is taken in this Abstract of the duties upon Imports by land. Where two rates exist, the duty on importation by sea only is taken. Both rates of duty are included in the foregoing Table.

‡ The duty on raw cotton has since been abolished.—T. M.

§ Some of the rates on hardware are incorrectly stated, *vide* p. 19.—T. M.

In conclusion, we have to consider the obstacles in the way of the export trade of Russia, also created by the Tariff, as well as the subject of the carriage of goods in transit through Russia.

The exportation of bark and birch oil is prohibited altogether, and that of iron ore at the Custom-houses of Poland.

Upon many articles of export various rates of duty are levied, viz., on leeches, bristles, caviare, fish, glue, flax goods, grain, hare and rabbit skins, isinglass, raw hides and skins, wooden wares, charcoal, copper and brass, rags, mats, horsehair, potash, pearl-ash and wood-ash, tallow, and cattle.

Prohibitions and export duties, whether for fiscal purposes, or for the protection of certain branches of native industry, have been regarded of late years in almost every country as unjustifiable from an economical point of view, and prejudicial to the national welfare. The only exception is the export duty on rags, which still exists in the Zollverein and in many other countries.

The exportation of hare and rabbit skins, in addition to the duty of 10 copecks per pud (ordered July 9, 1863) is subject to the expense of the sorting prescribed by law.

Not less burdensome is the export duty of 1 ruble 50 copecks per berkowetz upon horse tails and of 75 copecks per berkowetz upon horse-manes when exported by sea.

The export duty of 1 ruble per berkowetz (11 silver-groschen per Zollverein centner) upon tallow belongs to a class of duties of which the abolition is most desirable in the interest of foreign trade.

The export duty on wood is especially burdensome; the duty upon timber of low value and of small dimensions, such as is chiefly exported from Poland, being levied per "piece."

The removal of export prohibitions and duties, or at least a material reduction of the latter both as to number and amount, is eminently desirable. The imposition of export duties hinders trade and increases the price of commodities to an extent to which the increased revenue obtained by the State bears no proportion. The trifling loss which the revenue would sustain from the abolition of all export duties would be fully repaid by the increased prosperity of the producers, which would inevitably result from a facilitated competition of Russian produce in foreign markets.

It is not to be expected, from the geographical position of the country, that the traffic in transit through Russia will ever attain much importance, and the Tariff therefore contains no provisions by which it can be facilitated. It appears that goods intended for transit only have to pay the full duties, unless specially relieved. As the Grand Duchy of Finland has a separate Tariff, the absence of facilities for carrying goods in transit causes the traffic to or from Russia by way of a Finnish harbour, as well as the carriage to or from Finland by way of a port in Russia, to be attended with the greatest difficulty, and in many respects operates as a total prohibition. The establishment of freedom of transit under proper regulations must be an important consideration in the proposed reconstruction of the Russian Tariff.

III. Other oppressive Burdens and Difficulties of the Foreign Trade of Russia.

Apart from the peculiar Tariff, there are under the present mode of raising the taxes, other important evils and disadvantages which oppress the foreign trade, and which are here to be mentioned, in order that energetic measures may be adopted for their removal, whether by means of the proposed Treaty of Commerce, or otherwise.

One great evil is the augmentation of the Tariff rates by numerous additional duties, which partly concern nearly the whole Tariff, and are applied at all Custom-houses, and partly are charged at certain places for local purposes, under different titles.

Thus, by Ukase of 27th March (8th April), 1858, all import and export taxes, with the single exception of the import duty on sugar, became provisionally subject to an additional duty of 5 per cent., it being considered but equitable that the foreign trade should bear the burden of constructing warehouses and extending harbours, which had become necessary in consequence of railways.

Subsequently, by Ukase of 31 December, 1861, a further increase of 5 per cent. on the Tariff rates was introduced on all imported goods, excepting sugar, the alleged reason for which being, that the general advance of prices had increased the expenses of the State. With the exception of sugar, the rates given in the foregoing Table, and which are already excessive, were thereby increased by one-tenth.

Moreover, additional taxes are raised, not only for general State purposes but also for the benefit of certain communities and corporations, for bridges, churches, and schools.

In the year 1861, before the new additional 5 per cent. duty came into operation, the Customs revenue (including ships' dues) amounted to a total of 31,492,321 silver rubles, besides 2,837,073 silver rubles for various additional and secondary taxes. And how easily may other additional duties not destined to flow into the public Treasury be imposed! A thorough reform of the Customs should abolish all additional Customs charges for ever, and the duty to which all imported goods are liable should be stated fully and clearly in a Table of Tariff rates, according to the practice of the Zollverein and other countries.

As soon as the duties are once regulated in the proposed Treaty of Commerce between Russia and the Zollverein, it should be distinctly specified that such an arrangement was final, and not to be subsequently abandoned in practice, or materially altered by additional taxes, under whatever denomination, during the time that the Treaty remains in force.

The Customs laws require strict observance of the terms of bills of lading, and of the respective declarations under all circumstances, and for any incorrectness (even though it be a clerical error) in the declaration and the result of examination a fine of 50 per cent. of the Customs value is imposed, and in some cases the goods become confiscated.

It cannot reasonably be expected that in Russia, where the taxes are of such great importance to the Exchequer, that lenient regulations should exist with respect to cases of actual fraud or of false declaration, or that an excuse alleging a pure and unintentional mistake should be easily accepted by the Customs authorities; yet in cases of manifest error, which on examination must at once be evident, namely, where instead of too little, too much has been declared, and where there was, therefore, no intention to evade payment of the duties, or in cases of minor irregularity involving the infliction of a disproportionate penalty, it is altogether different. As the Customs officers participate in the fines imposed, it is important that a more or less strict revision should take place, according to the friendly or unfriendly understanding which exists between the officers and the agents.

As the matter now stands, the agents are on confidential terms with the Customs officers, and, therefore, in accounts of charges such items as "necessary expenses" and "fees," for which vouchers are not required, are included. It is also the interest of the Customs administration, as well as of lawful trade in Russia, that on the reform of the Customs, the regulations respecting fines should be freed from various clauses which easily lead to abuses, without, however, interfering with their necessary strictness, so as to conform to analogous regulations of other countries.*

Another highly oppressive burden on the foreign trade of Russia is the system of *artel* labour.† The *artel* is charged with the duty, and has also the right, of taking care of goods deposited in Custom-houses for the apparently small but really enormously high rate of 30 copecks per day for each consignment, whether it consist of one or more packages. The instances are not unfrequent where, through the detention of goods at the Custom-house, for which neither the receiver nor sender is blameable, the warehousing charges have amounted to more than the value of the goods. Such charges are seldom omitted in accounts of expenses from St. Petersburg; and goods seldom leave a Custom-house without a detention of ten, twenty, or thirty days, that is to say, without incurring a charge of 3, 6, or 9 rubles for *artel* expenses. The Custom-house should in all fairness bear the expense of warehousing as long as goods remain accidentally unclaimed, and only exact a small charge when they are not removed within a reasonable period. This evil, moreover, attaches to the whole administration of the Russian Customs. When it shall have undergone a comprehensive reorganisation by means of the reform of the Tariff, and the conclusion of a Commercial Treaty with the Zollverein, the Russian Custom-houses will then, as elsewhere, know how to provide for the safe custody of merchandize under their charge.

It frequently happens that the secondary charges of the Custom-houses, and the different incidental expenses of clearing, are equal to the duty leviable on the goods, and frequently exceed it.‡

* It has been remarked by some correspondents that it is not the custom in Russia, on the part of the Customs Agent, to deliver up the original Customs receipt. At the same time, every receiver of goods in Russia is unconditionally entitled to it.

† The artel is a co-operative association of labourers at wharves, Custom-houses, &c.—T. M.

‡ In an account of expenses from St. Petersburg, of the 22nd January, 1860, the following charges appear to have been made on a small case sent from Berlin, weighing 66 pounds, value 210 thalers. The freight, viâ Tilsit and Tauroggen, amounted to 8 rubles 80 copecks, the duty to 16 rubles 25 copecks, clearance and other charges 21 rubles 30 copecks!

According to an account of expenses from Wirballen, of the 8th January, 1863, for three small cases to Riga, weighing 160 pounds, value 95 thalers, the freight and insurance amounted to 8 rubles 15 copecks, the duty to 6 rubles 53 copecks, forwarding and additional customs charges, 7 rubles 90 copecks!

It is important that the burden of the *artel* labourers and the heavy additional charges should not be lost sight of, as they have been warmly discussed in different Chambers of Commerce. On the other hand, the Customs authorities have nothing to do with the commission charged by Customs forwarding agents, nor with the

Another great hindrance to trade is the declaration required on imports. At present it is necessary to employ the very expensive services of a Customs agent in order to obtain a packet of patterns within a few days, and thus owing to the great expense and loss of time it is often impossible to forward patterns of goods by the ordinary way.

The formalities of stamping also form a very great hindrance to any extensive trade. Certain articles must be provided with lead, others, on the contrary, with "coloured stamps," and others with a seal on paper. The custom of stamping is the cause of very great delay, besides being very expensive. The stamping disfigures the tickets, and the leads frequently damage the goods on long journeys; and after all it remains doubtful whether those measures fulfil the purpose of an effectual control. When the Russian Government undertakes a thorough reform of the Tariff, which alone can render the legitimate trade profitable and extensive, it should abolish those burdensome formalities, which have long ceased to exist in other civilized States.

Moreover, the system of fines incurred for any mistake in making the declarations is described as another serious evil, becauses it weighs upon the officers, the forwarding agents, and the wholesale merchants, and the damage to trade which arises therefrom is much greater than the advantages which can accrue to the Russian Government.

An extension is desirable in the regulations respecting the transport of goods in bond to the place of destination in cases where the latter is the seat of a first-class Custom-house. It is only the merchants of Moscow and St. Petersburg who, having acquired the privilege of bonding, are exempt from the necessity of paying the duty on the frontier.

The privilege of sending goods in bond to all important places should be extended as much as possible, in order to facilitate the opening and repacking of goods under the direct supervision of the owners. The risk of unpacking goods that may be easily broken or spoiled is a very grave consideration, and from this cause the Russian importer has frequent differences and disputes with the foreign sender of goods, whom he accuses of careless packing.

No less annoying is the obligation of completely unloading the boats going to Kowno and Grodno at the frontier office of Georgenburg; cargoes of coal being alone exempt from the formality.

Goods may now be kept twelve months at the Custom-houses of St. Petersburg and Moscow in bond and for re-exportation free of duty, either in bulk or in part, but this permission does not practically afford the advantages derived in other States from the bonding system. The introduction of similar advantages and facilities in other parts of Russia would induce the warehousing of large stocks of merchandize, and would encourage the Russian merchant to enter into extensive speculations either for the supply of the home market, or for re-exportation. A stimulus would thus be given to the spirit of enterprize.

Another not inconsiderable benefit would result from the simplication of formalities at Custom-houses.

The consideration of desiderata connected with the Customs cannot be separated from complaints respecting arrangements, which render the commercial relations of Russia with foreign countries extremely difficult, and contribute to prevent her from taking that position in international commerce which such a great Empire might justly claim. Nothing is easier for the Russian Government, if it should be so inclined, than to undertake a thorough revision of its fiscal policy, and at the same time to remove the difficulties and formalities that prevent the extension of legitimate foreign trade.

The present Memorandum enumerates without concealment the several grievances that demand redress.

1. *The Guild System.**

2. *Administration of the Law.*—The experience of German merchants in Russia has shown that the legal protection given to the foreign creditors of Russian subjects has been very unsatisfactory. In many cases where foreign creditors were obliged to have recourse to legal proceedings against Russian traders, there were no means of enforcing the most undeniable claims. Russian correspondents have frequently and urgently dissuaded German merchants from such proceedings on account of their utter uselessness.† No further proof is required to show how much Russian credit would be increased and how much commercial relations would be facilitated by a prompt and consistent administration of the law. A speedy reform in this respect is, therefore, extremely desirable. It must be acknowledged

artel charges, those charges being solely the affair of the merchants in Russia. When the charges of the forwarding agents either on the frontier or elsewhere are excessive, it must be arranged between them and the consignees, since they do not come within the province of the Customs authorities.

* This having been entirely reformed since the Memorandum was written, it is useless to translate the objections raised against it.—T. M.

† Tengoborski, a Russian Statesman, says, "*En Russie le débiteur ne paie que quand il veut, ce qu'il veut, et comme il veut.*"

that by Ukase of the $\frac{3rd}{15th}$ December, 1862, the law on bills of exchange has become very generally applicable in lieu of the great many limitations previously existing. Every drawee of a duly stamped bill of exchange, with the exception of ecclesiastics and soldiers, may now, in default of payment, be immediately imprisoned, and be forced to pay by legal process. The Russian Government will, of course, inquire how far the German law relating to bankruptcy, bills of exchange, and commerce in general may be found applicable to Russia. We Germans can only desire that these laws, which have been adopted by all German States after most careful investigation, should be taken into consideration in the remodelling of the legal institutions of Russia, for it will probably be found that the laws of no other country are so closely adapted to Russia.

We are informed that the bills drawn abroad upon Russia on the usual form of bills of exchange have not the same legal force as drafts or acceptances drawn upon Russian stamped paper. It is left to the convenience of the Russian acceptor whether he will copy the draft upon Russian stamped paper and thus accept the re-written bill. This grievance, so injurious to foreign commerce, might be easily removed, if the Government forced the owner of the bill to get it stamped on presentation in Russia, as is done in most other countries. This arrangement would afford to the foreign creditor the legal protection he requires, and would, at the same time, be favourable to the Imperial revenue. The negotiation of bills on Russia is further rendered difficult by the prohibition of obtaining acceptance otherwise than after payment of the stamp, or after copying the bill on the stamped paper. The permission given in England and Prussia to accept first bills without stamp, to be exchanged against the duly stamped seconds or copies, might be recommended for imitation in Russia.

Above all, it appears to be advisable to reduce considerably the present exorbitant stamp duty on bills of exchange, amounting to $\frac{1}{4}$ per cent. of the value, and the revenue would not suffer by such a reduction, because at present the duty is systematically evaded on account of its disproportionate amount.

3. *Insurance.*—The reciprocal admission of insurance offices and their agents, with the same rights as natives, would be very advantageous to the spread of the system of insurance in Russia. It is desirable not to renew the privileges granted for a certain number of years to Marine Insurance Companies, in order that the admission of foreign companies and their agents may be rendered possible after the expiration of those terms. The grain trade and the relations of Russia with foreign countries suffer from the fact that Russian insurers do not insure for more than two-thirds of the actual taxed value, thus entailing great risk upon the storing of grain during winter.

4. *Postal Arrangements.*—The great progress which Russia has made in this respect since the development of railways will be generally acknowledged. The following desiderata have, however, been communicated to us:—

Liberation of the parcel post from the minimum rate;

Reduction of the high rate for money letters, for the evasion of which it frequently occurs that Russian subjects send their foreign remittances across the frontier, to be there posted; it should also be permissible to declare the value of foreign stocks and shares, which must now be sent "registered;"

Extension of prepayment by stamps for letters from Russia to Germany, and from German places other than Prussian to Russia;

Reduction of postage for trade reports, price currents, and commercial circulars.

It is also very desirable that the order forbidding the sending of fluids by post should be rescinded. This order is explained by the danger of injuring other correspondence by breakage, a danger which may have existed during the former bad state of the roads, but which does not exist any longer. This prohibition renders it impossible to send samples of syrup, oil, &c., to Russia.

5. A reduction on the charge for telegrams, and an increase of telegraph wires, is urgently desired by the commercial public. A telegram of twenty words from the Prussian frontier to St. Petersburg costs 6 rubles, and remains frequently for days without being forwarded.

6. *Travelling* between Russia and foreign countries is still subject to many difficulties, the removal of which becomes daily more necessary since the development of the railway system. The great progress which has been made by Russia during the last few years leads to the expectation that the formalities and expenses connected with the passport system will be soon dispensed with altogether. While in former times a passport *viséd* by an Ambassador for a year had to be again signed for every new journey to Poland and Russia, a *visa* now suffices for an entire year; the Prussian so-called "half-passports," are now available as certificates of nationality within three (German) miles from the frontier, and the charge for Russian and Polish foreign passports has been reduced. The obtaining of

passports should, however, be very much facilitated, and the expense materially reduced if travelling is to be rendered easy and convenient. Prussian traders, if not domiciled on the frontier districts, must procure for their journeys into Prussia the *visa* of a Russian Ambassador or Consul. Commercial travellers who do not live at a place where a Russian Consul resides find this formality very oppressive. The prescriptions respecting the *visas* of passports in the interior of Russia and Poland cause further obstructions and delays; for instance, the traveller is obliged to stop a day at Warsaw to obtain the *visa* to a passport which has been taken from him on his arrival. The foreigner must take a Russian passport for his return journey in order to be allowed to cross the frontier, and the obtaining of such a passport is a matter of some difficulty, and connected with a not inconsiderable expense if it is desired to get through the formalities in a single day.*

Travellers provided with a regular passport are allowed the free importation of goods to the amount of 7½ rubles duty. This right is, however, not possessed by those who cross with only a frontier passport, but must, even with considerable quantities of goods, make the usual triple Custom-house declaration, written on stamped paper; must employ an equally expensive forwarding agent, or else pay the addition of 50 per cent. to the duty charged on the importation for private use. These are important hindrances to daily intercourse on the frontier which might be avoided by the much simpler mode of proceeding introduced in the Zollverein.

Nor is it less troublesome to the travellers who cross the frontier even without luggage, that they are received at the first small frontier station, and are from thence escorted to the next head office, a distance of perhaps 6 or 7 versts, by a soldier fully equipped and armed, to be again *visited* there. This annoying and unpleasant formality, of which it is difficult to perceive the motive, has many disadvantages, as merchants and workmen going to the estates in the neighbourhood have frequently to walk very much out of their way in order to reach the head office of the Customs. An immediate despatch of such travellers at the first office, as is done in the Zollverein, appears to be unobjectionable also in Russia.

German timber merchants find the obtaining of passports for Polish conductors of rafts connected with so many difficulties and formalities that they are frequently induced to send for men from Galicia.

The oppressive formalities on the admission of commercial travellers in Russia are complained of by several Chambers of Commerce.

6. *Canals.*†

IV. *Reasons which should induce the Russian Government to reform the Customs Tariff thoroughly.*

In the foregoing sections we have exposed the numerous hindrances and difficulties connected with our foreign trade with Russia.

The question next in importance is, what are the reasons which should induce the Russian Government, in its own interest and after the example of other European countries, to proceed without delay to adopt such measures as would lead to the removal of those evils, as deeply rooted as they are injurious. The Committee of the German Associated Chambers of Commerce are perfectly agreed that this must be the principal object of the inquiries of the present Memorandum; for the time is past when civilized nations concluded Treaties of Commerce by which one Government granted to the other advantages to its own prejudice, or made other concessions uncalled for either by the wants or the permanent interests of the people which it ruled.

The negotiations which are undoubtedly likely to meet with the greatest approval and success are those that will establish relations of reciprocal advantage. These will arise from a reduction of duties, from increased facilities for trade, and from conditions that shall insure to the public, instead of the frequent and sudden alterations of the Customs regulations to which they have been accustomed, a permanent continuance of liberal reforms for the extension of trade.

The following points demand attention:—

1. Apart from the impediments to the prosperous development of the great Empire of Russia, raised by a mistaken commercial policy, there are, according to the unanimous opinion of all those who have made themselves acquainted with the state of affairs in Russia, principally two circumstances that have hitherto prevented Russia from making that great

* A national passport, *viséd* by a Russian Diplomatic or Consular officer, now suffices.—T. M.

† The duties levied on canals leading into Prussian waters are here discussed, but as the question only interests Prussia and Russia, its consideration is omitted from this translation.—T. M.

progress in industry which has of late years been attained in the Western States of Europe. The one was the want of means of communication between distant places in such an extensive but comparatively thinly populated country; the other has been the state of servitude of the greater portion of the lower classes. While both these very great impediments to prosperous development existed, affecting as they did all classes of society, it might be urged that, in regard to trade and industry, artificial measures and exceptional conditions were necessary and justifiable, and that a liberal system of commerce was, under such circumstances, neither suitable nor advantageous. But the order of things has been reversed.

Russia has already an extensive network of railways, extending inland as well as towards the European frontier, the total mileage of which is now about 3,000 versts, or more than 400 German miles; and the further extension and completion of which is being energetically pursued.

In no other country can railways be of more importance than in Russia, both on account of the great distances between the several parts of the Empire, and the want of other convenient means of communication. Its widely-extending plains are at the same time particularly well adapted for their construction.

The great network of railways, which is rapidly approaching completion, and to which, undoubtedly, further extensions and branch lines will be added, must necessarily become one of the most efficient levers for promoting the social and industrial development of the country.

If the effects already produced have not been as perceptible and striking as they have been in France and Germany, the reason is to be attributed to the comparatively less advanced state of the country in other respects.

In proportion as the advantages of the railway system become apparent, it is essential that the social and economic condition of the nation should not be arrested, but be left to its natural development.

The second cause above mentioned—namely, the emancipation of a population of upwards of 23,000,000 persons—will form an era in the history of the present century, and be reckoned among the grandest and most beneficial schemes that have ever been carried into execution for the lasting welfare of a nation.

If we consider here but one of the great beneficial aspects of this measure, viz., the industrial, with which we are more immediately concerned, we can at once estimate the success to be expected by the extraordinary results that attended the abolition of the *robot* in the enslaved Crown lands of Austria in 1848.

After long years of industrial stagnation, those districts, when freed from this oppressive burden, made surprising progress in the raising of produce from the soil, which has, consequently, rapidly increased in value. Similar and, most probably, still greater results will be attained in Russia when, in addition to the establishment of railways and the emancipation of the peasantry, the reform of the Customs Tariff shall be effected, so as to give a new impulse to international commercial relations.

We learn from the history of great nations how, at periods of important internal development, the several measures of reform introduced by enlightened Statesmen were intimately connected with each other; how greatly the success of one measure was promoted by another; and especially how the co-operation of several simultaneous reforms are best calculated to overcome the various difficulties and obstacles incident to a state of transition from an old to a new order of things.

At any former period the establishment of free international intercourse would have been of great advantage to Russia, but it is more especially so at the present time, on account of the influence which the extension of railways and the emancipation of the serfs will necessarily exercise.

It will, however, be of easier execution now, in combination with these reforms, than it will be a few years hence, if (the difficulties inherent to every great change having been but just overcome) a new and extraordinary reconstruction of the general economical condition of the people is attempted.

2. Not only do the internal reforms now being carried out in Russia imperatively demand a liberal commercial policy, but it is also necessitated by the example of other great European Powers. Since 1846 England has, with steady perseverance, gradually thrown off the fetters of a protective and differential system of duties. Since the conclusion of the last Treaty of Commerce with France she has permitted the importation of all raw materials, as well as manufactured goods, free of duty, and has introduced a system of purely fiscal duties. France also, which allowed the prohibitive system to take such deep root, has, since 1860, by means of Treaties with England, Belgium, Prussia, and Italy, opened the way for free international intercourse and for a thorough reform of its Customs duties. Germany,

which had at the time of the Prussian Treaty of 1818 kept aloof on principle from a protective system of Customs duties, but which had since in some measure acquiesced in them, has now, by means of Article B of the Franco-Prussian Treaty of Commerce, entered upon an important liberal reform of the Tariff, which will, probably, be rendered still more complete on the renewal of the Zollverein Treaty. It will surely be no reproach to Russia if she speedily follows in the footsteps of the Western Powers. The construction of railways and the emancipation of the serfs are reforms which might as justly be called imitations of foreign measures. Why, then, should Russia have special reasons for not following the example of other nations with respect to the encouragement of a more animated interchange of commodities with foreign countries? The Emperor of the French has, in the following terms, established the principle upon which he concluded the Treaty of 1860 with Great Britain:—"It is necessary to multiply the means of exchange in order to render trade flourishing; without competition industry remains stationary and maintains high prices, which are opposed to the increase of consumption;" to which the Minster of Trade added, by way of amplification, "What are prohibitions, but the paralyzing of all commercial intercourse from the exterior to the interior, and the weakening of competition, which, in this double manifestation of the commercial life of nations—importation and exportation—is not true, complete, and sincere, except on the condition of being international?" France has abolished her prohibitive system, and her Government, guided by the above-mentioned principles, has elected to conclude a Commercial and Customs Treaty with England, in order to overcome with greater facility existing prejudices, and to secure the reforms introduced, against any risk of retrogression, for a certain number of years, and, consequently, for all future ages. The Franco-Prussian Treaty has also the same practical tendency as regards Germany, and the Russian Government must therefore surely be alive to the importance of making corresponding progress, and of regarding a longer continuance in a state of commercial isolation as a decidedly retrograde movement—one that leads away from the attainment of that degree of civilization which is now witnessed in Western Europe.

3. The international interests of commerce now meet with strong support in the growing appreciation of economical truths: all civilized nations are becoming united by a solidarity of interests.

Those interests have, however, another ally, who, although unasked to co-operate, fights energetically for the principle of a rational freedom of trade. That ally is the smuggler. It is well known to what great extent an illicit trade has been carried on with Russia and Poland since 1822, and how futile has been every precaution and measure adopted for its repression. How can the many hundred miles of the extensive Russian frontier be secured against an enormous illegal import trade, when the articles mostly in demand, and of comparatively great value, but of small bulk, are subjected to a duty of as much as 100 per cent. on their value, and even more. In any country, with a geographical position even more favourable than that of Russia in respect to the control of the frontier, but with a Tariff and Customs administration like that of Russia, a considerable smuggling trade can easy be carried on.

Besides the financial loss which the State incurs through such an extensive system of smuggling, there is also the social demoralization which results, directly or indirectly, from such a traffic. Nor is the evil by which smuggling is attended limited to the persons immediately interested in it, but its influence extends considerably beyond it, fostered as it is by excessively high rates of Customs duty. The honest tradesman is unable to compete with his rivals, who are supplied more cheaply with contraband goods, and is therefore frequently compelled to abstain from importing foreign merchandize. Thus the most conscientious tradesman is obliged, against his will, to countenance a system of secret traffic and smuggling, which undermines all morality. Of course it is not possible to make even an approximate estimate of the quantity of illegally-imported merchandize. Some facts may, however, be adduced to demonstrate the extent to which it is carried. The revenue from foreign cigars, upon which a duty of 2 silver rubles per Russian lb. (264 thalers per Zollverein centner), or about 160 per cent. of their average value, amounted to only about 1,000 centners in 1860 and 1861. When we consider the consumption of foreign cigars in St. Petersburg, Moscow, and some other towns alone, we must necessarily conclude that a far greater quantity is introduced illicitly, in spite of all Customs control and of a system of stamped wrappers.

It appears from an American Consular Report from Moscow that in the years 1854 and 1855 respectively, 23,500 and 20,000 lbs. of tea were confiscated as contraband while being transported inland. But how many centners may be introduced free of duty? If we consider also that at present the greater part of the more valuable manufactures are subject in Russia to duties which on an average are in amount nearly four times the corresponding

duties charged in the Zollverein, as regulated by the Franco-Prussian Treaty, all doubt is removed as to the great magnitude of the illegal imports into Russia.

Trade suffers most essentially from such a state of affairs. Being an empire without any outlets, Russia is under the necessity of consuming all her imports. The prices of goods in Moscow and other towns are therefore less dependent than the rise and fall of stocks upon the fluctuation of prices at the principal foreign markets. The merchants at that great centre of commerce can exercise no forethought with regard to imports, for they are dependent upon the facility or the difficulty which the illicit traffic meets on the Russian frontier. Enormous fluctuations of price, which interfere with the spirit of enterprise, and defy all accuracy of calculation, are the inevitable results.

An efficient and durable remedy against smuggling and its demoralizing effects, is only to be found in this case, as well as in all others, in a thorough and liberal reform of the present fiscal policy of Russia, and in the abolition of the abuses connected with it. When the duties affecting the consumption of the chief articles of food, and all manufactured goods, shall have been considerably reduced, and more moderate duties substituted on a uniform principle, with the view of obtaining the same financial results from increased quantities instead of an excessive tax upon a limited legal trade; and supposing that at the same time a judicious re-organisation of the Customs administration be undertaken, then will smuggling become reduced to a minimum, although it may not be immediately or entirely thereby abolished. Occasional frauds will, perhaps, still take place; but they will, as in the Zollverein, only be exceptions to the rule.

4. However important may be the motives already urged in favour of the adoption of a liberal Tariff, they nevertheless appear subordinate to the argument still to be considered. It is one to which we are led by the conviction that the substitution of the present system of excessive protective duties, and of all its consequent evils, by a rational fiscal system similar to that of other civilized countries, is the best means of developing the productive powers of the Russian Empire, and of promoting its welfare, and its capabilities for increased consumption and commercial intercourse. The great mass of the population will only then be placed in a position to enjoy the full advantages which the construction of railways and the improvement of the condition of the serfs now partially afford.

It may not be possible to prove with mathematical certainty that such must be the result of increased facilities of intercourse, but it becomes highly probable, not only on account of the experience of other States that have abandoned time-honoured limitations of trade, and have suddenly entered upon free international intercourse, but also from the necessary consequences arising from similar causes and similar conditions.

When Great Britain repealed the Corn Laws in 1846, and the Navigation Laws in 1848, the adherents of the protective system prophesied the certain ruin of the landed gentry and farmers, as well as that of the shipowners. And what have been the actual results?

The income derived from landed property and agricultural pursuits in England and Scotland, valued for the purposes of the income tax, was estimated at 86,272,000*l.* in the year 1862, and at more than 100,000,000*l.* sterling in 1863, notwithstanding that in the same year the enormous quantity of 18,442,000 quarters of corn was imported from abroad, and competed with the home-growers, who have been more than ever prosperous since they have entered upon a competition with foreigners which they once so much dreaded.

At the close of the year 1848 Great Britain had a commercial navy of 25,638 sailing and steam-vessels, of an aggregate burden of 3,400,809 tons; by the end of 1862 these had increased to 28,400 vessels of 4,934,400 tons, notwithstanding the great simultaneous increase of the flags of other nations which participated in the trade with British ports. Neither has open foreign competition led to the anticipated ruin of the national branches of industry which were previously excessively protected; competition has, on the contrary, given a great stimulus to them.

It will likewise be well remembered what sad consequences most of the French manufacturers believed would result to the industries and the welfare of France from the conclusion of the Treaty with England, and the consequent reduction of the French Tariff. The actual effect of the abolition of the prohibitive system in France has been very different. Since the conclusion of the Treaty, France has not been overstocked with British manufactures, nor have the different home industries been depressed by foreign competition. On the contrary, the effect has rather been to excite the French industrial classes to proportionally greater exertions, and to extend their foreign relations, not only with England, but generally in all directions, and thereby to obtain compensation for the interruption of the trade with North America.

The computed real value of the foreign trade of France is as follows:—

Imports.	Francs.	*Exports.*	Francs.
1855–59	1,424,900,000	1855–59	1,696,900,000
1860	1,897,300,000	1860	2,277,100,000
1861	2,442,000,000	1861	1,926,000,000
1862	2,127,000,000	1862	2,189,000,000

It would appear from the monthly Returns of the French Customs, that the extent of the foreign trade was much more important in 1863. A considerable increase of revenue proves, at the same time, that the general welfare of France has not in any way suffered from a liberal Customs reform, but that, on the contrary, the country has made remarkable progress.

In Russia it may certainly be expected that the introduction of a liberal Tariff will have the same beneficial result as that already obtained in other countries, and even in a still greater degree, for the impediments in the way of commerce have been much more serious in Russia than elsewhere, and because the reconstruction of the Customs Tariff will operate in the same direction as the other great reforms already introduced. While capital in Russia was chiefly employed in privileged branches of manufactures, and while large profits were derived from them, not so much on account of their superior quality or cheapness, as from the exclusion of all foreign competition (except so far as modified by smuggling), it must necessarily have been withdrawn from productions of the soil and other indigenous industries.

Had it been expended upon them, the profit might have been *less to individual capitalists*, but the result would surely have been the *increase of the general well-being, of consumption and trade.* To this it is, of course, objected, that nothing prevents the investment of capital in agriculture or native industries, provided the inducement is afforded; and, moreover, that the system of protection is justifiable by the fact that the capital employed in the privileged manufactures realizes a greater return than if invested in other undertakings; the further increase of capital being thereby promoted—a result which in other branches of trade reacts beneficially on the national welfare. These are manifest sophisms which are strikingly contradicted by the one fact, that this large pecuniary profit is not derived from the inherent productiveness of the business conducted, but solely from the taxes imposed in its favour.

If a prohibitive system, high duties, and the artificial branches of industry thereby called into existence, are able to increase the wealth and capital of a nation, Russia, above all other countries, should be able to show such a result, the system having been in full operation for forty years. It will, nevertheless, be generally acknowledged that at present Russia is comparatively a very poor country as regards capital. The pretended increase of the national wealth by the profit derived from protected manufactures is nothing more nor less than an artificial transfer of a certain amount of the annual national income arising from the wealth of the whole body into the pockets of individuals, and when the interests of the whole body are properly recognized, every such increase of wealth must appear an illusion and even a waste of capital. If we take into account the artificial advance of prices caused by a protective Tariff, it will be seen that the capital employed in monopolized manufactures does not yield the usual rate of interest, and in many cases remains totally unproductive or is lost without yielding any corresponding advantage.

In his well-known work on the productive power of Russia (iii, p. 62), M. Tegoborski made the following important statement with respect to only one of the privileged branches of industry, viz., that of cotton:—

During the twenty-seven years from 1824 to 1850, 11,195,690 puds of raw cotton and 13,222,675 puds of cotton yarn were imported into Russia, which amounted together, after making a deduction of 15 per cent. upon raw cotton, to 22,739,015 puds of yarn. This represented a value of 909,560,000 silver rubles, taking the yarn at an average price of 40 silver rubles per pud. In the first twelve or fifteen years, some Russian cotton textures were sold at least 60 per cent., and many even more than even 100 per cent., dearer than similar articles of foreign origin without the duty leviable on them. It may be estimated, without exaggeration, that for the whole period the advance of prices in favour of native manufactures was about 50 per cent., so that the Russian public has had to submit, during the above period, to a sacrifice of 454,000,000 rubles, or about 17,000,000 rubles annually, for the artificially fostered cotton industries.

These 17,000,000 rubles, and corresponding sums for most of the other protected branches of industry, are manifestly a tax upon the public. Such contributions cannot possibly conduce to the increase of the national welfare. When this artificial system shall have been abolished by the introduction of moderate duties on all manufactured goods and raw materials, so as to give the manufacturers the chance of competing with foreign

productions, the effect will be that capitalists and commercial intelligence will be directed towards those branches of trade which, on account of their natural advantages and of existing conditions, will yield a profit independently of the Customs duty, and, by considerable returns, promote to the full extent the capabilities of consumption and the increase of capital.

A splendid prospect for a lasting and remunerative trade in agricultural products is shown by the progressive demand on the part of the chief commercial towns in Western Europe for cereals, oil-producing seeds, and other products, which Russia, above all other countries, appears called upon to supply. Railways and the emancipation of the serfs will greatly facilitate the raising of such products, and it is only further necessary that capital and labour should be directed to agricultural development and the branches of industry connected with it, hitherto deprived of those important agents by branches of trade artificially created.

A more recent writer on the agricultural condition of Russia (Aug. Jourdier, "Les Forces Productives, Destructives, et Improductives de la Russie," 2 ed., Paris, 1861) shows how, according to the most moderate estimate, an additional income of above 121,000,000 silver rubles from exports might be obtained by a more rational and energetic cultivation of those branches of trade which are connected with agriculture. We have no means of ascertaining how far this statement is correct, but M. Jourdier is undoubtedly right in principle. That the artificial support of manufactories and the high rates of duty on foreign productions have not been able to supply the country with abundant capital is proved by the fact, amongst others, that Russia has been obliged to contract considerable loans with foreign countries, for which she now annually pays 5,000,000*l.* and upwards for interest. If capital and intelligence were not withdrawn from the soil by the present commercial policy of Russia, it would no longer be the case that, on the average, not more than a fourth part (and on some large tracts of land only two and a-half or three and a-half parts) of the corn sown in the country is reaped.

As the results of the present restrictive system have proved so entirely unsatisfactory, the Government should try the adoption of an opposite policy, even if such a course were not advisable on other grounds, for it is impossible to obtain results more unfavourable than those at present in operation. Should it even be considered expedient to indemnify the privileged manufacturer in particular cases for the abolition of the excessive Customs protection which he has enjoyed, such a pecuniary sacrifice should not prevent the introduction of a reform, which cannot be too dearly purchased.

The high rates of carriage on Russian railways are complained of, as preventing the dispatch of goods by that means to the extent that might otherwise be expected, and thus diminishing the beneficial influence of such means of communication. On the other hand, it is affirmed that the high rates of carriage result from the want of a greater and more continued traffic in goods. The one clearly re-acts on the other, and *vice versâ.* The best and most simple remedy is the promotion of natural means of intercourse, and the abolition of Customs hindrances. As soon as a great and more frequent interchange of traffic inland and with foreign countries shall have been produced, the railway companies will in their own interest reduce the rates of carriage. To what an astonishing extent the traffic on railways increases, when not opposed by artificial impediments, may be seen from the statistics of any large railway in Central Europe. The goods traffic on the Cologne and Minden line may be mentioned as an example:—

	Goods carried.	Receipts.	Average rate of Carriage per centner and mile.
	Centners.	Thalers.	Pfenning.
1848	3,292,257	502,262	4·34
1852	16,665,058	1,375,161	3·51
1856	39,455,220	2,564,483	3·18
1861	65,327,147	3,994,908	2·78

It may confidently be expected that similar results will be witnessed on Russian railways, provided the abolition of the present system of limiting trade renders possible the increase of legitimate traffic. If, on the one hand, the advocates of the restrictive system maintain that by its abolition, the return upon capital invested in certain branches of manufacture will be seriously affected, it may, on the other hand, with equally good reason be asserted that the continuance of the system will withhold from the railways the legitimate interest upon the capital which they represent.

Nothing is more certain than that the abolition of the present restrictive Customs

system will do away with all monopoly in manufactures. Almost everywhere and without any exception, it has been the complaint of those engaged, under a protective system, in the different branches of industry and production that, in case a proposed liberal reform were introduced, they would no longer be able to exist; whereas experience has proved, as a rule, that such has never been the actual result. A few branches of manufacture may suffer or perhaps entirely disappear; but the majority will be stimulated to greater exertions on account of the facilities given to foreign competition, and although perhaps not at first without some sacrifice, yet ultimately with much greater profit than may have been anticipated. If we suppose that an average fiscal duty of about 25 per cent. on the value of goods be fixed by specific rates, the Russian manufacturers would always have a very considerable advantage over foreign competitors, who have moreover to incur charges for carriage, &c. Nor should it be forgotten that the privileged manufacturer is only so far protected against foreign productions legally introduced, as the Customs Tariff and the prescribed troublesome and costly formalities contemplate; but against the competition of smugglers, he has only the doubtful protection of a fluctuating smuggling premium, and the penalties inflicted on the sales of contraband goods, for the putting in force of which denunciations and other unpleasant measures are necessary: circumstances which operate most prejudicially on the honest trader.

In immediate connection with the foregoing considerations is the financial result to be anticipated from a thorough reduction of the duties. Russia is evidently not in a position to dispense with any considerable income from taxes; and if a large and permanent diminution of the sources of revenue were to be the consequence of a Tariff reform and of a Commercial Treaty with the Zollverein, it might well be considered a waste of time to enter upon a negotiation with such an object.

According to Russian official Returns, the total income derived from the Customs duties and other incidental charges on trade (including additional duties) in the years 1860 and 1861 was as follows:—

	S. R.
In the year 1860	35,210,000
„ 1861	34,329,000

Of which the Tariff duties alone, inclusive of the Asiatic trade, yielded—

	S. R.
In the year 1860	30,046,000
„ 1861	29,098,000

The articles tea, sugar, coffee, wine, tobacco, salt, textures and yarn, contributed more than 66 per cent.; but as compared with the revenue of other countries, not so much is derived from the quantities imported as from the extraordinarily high duties levied upon them. Whatever was attainable by those means for fiscal purposes, Russia seems to have actually exhausted by her present Tariff, and she appears, in the case of some articles, to have reached the extreme point, where a further advance of the duty, by limiting the consumption, and affording still stronger inducements to smuggling, would be attended with results exactly opposite to those desired.

The revenue of the German Zollverein from import duties (including beet root) amounted, in 1860, to 31,038,000 thalers; and, in 1861, to 32,870,000 thalers, or about 28 silver-groschen per head on a population of about 34,500,000. Estimating the population of the Russian Empire at about 61,000,000 (exclusive of Finland and the Asiatic possessions of Russia), it follows that (including the revenue from the cultivation of beet root in the interior) the import duties were only 15 silver-groschen per head, or only about 53½ per cent. of those in the Zollverein; and this, too, under a Tariff of which the average rates are three and four times as high as those of the Zollverein. These figures may be of some use to those who examine the present Russian Tariff with a view to its reform on the basis of the Tariff of the Zollverein, a reform that could not, at all events, result unfavourably in a financial point of view.

The Russian Tariff not only taxes all articles of consumption for the benefit of the Treasury, but its principal effect has also been to tax the public in favour of a few manufacturers, besides offering a premium on smuggling. A considerable reduction of most of the rates on articles of primary necessity to the population must, by the enormous increase of the consumption of dutiable articles that will result, eventually yield an equally great or even greater revenue than that derived under the present Tariff, especially as the large quantities of goods which have hitherto evaded payment of duties would then be brought under legal taxation.

In a financial point of view it is expedient that the duty on native beet-root sugar should correspond with that on Colonial sugar, in the proportion regulated by the Tariff of the Zollverein, and that such duties should be rigidly enforced. The free admission of the raw

sugar required by native industry could be permitted without diminishing materially the present Customs revenue.

Still more important, however, than even the direct interest of the Customs revenue is, financially speaking, the fact that the ability of the country to pay taxes will be permanently increased by a proper reorganization of the Customs in consequence of the increase of production and traffic; and should even the Customs revenue not be increased by a reduction of the Tariff, yet the indirect financial results will be all the more favourable when trade shall have been restored to a normal state, and no longer remain exposed to the influences of numberless conjunctures arising from an evasion of the duties. Trade will then be extended with safety, and yield a larger revenue to the State. The value of land must increase as soon as the capital hitherto employed in artificial branches of manufacture, and without benefit to the general welfare, is directed towards agriculture, and when its produce shall have found a readier access to foreign countries through increased facilities of intercourse, the taxes to be derived from the land will necessarily increase in proportion. With increasing general prosperity, all the direct taxes, and many of those that are indirect, will yield a considerable additional revenue without increasing existing rates.

5. Lastly, the question of the money standard is closely connected with the introduction of a liberal system of commerce. It is stated by the most experienced merchants in Russia that the establishment of a fixed standard is absolutely indispensable to a healthy state of trade, and that all other reforms for the development of commerce are comparatively of secondary importance. Every exertion and sacrifice should be made for the great object of improving the currency. The apprehensions that exist on this head explain the cause why such little attention appears to have been paid to a reform of the Tariff in commercial circles, a reform which the progress made by the Western States of Europe so urgently demands. It is, therefore, necessary to inquire whether the energetic measures recommended for the improvement of the commercial relations of Russia will stand in the way of a happy solution of the Currency question.

The magnitude of the evil which has resulted to foreign trade since 1854, from the uncertainty of the Russian currency, caused by the inconvertibility of State paper with a forced circulation, is clearly evident from the great fluctuation in the rates of exchange at St. Petersburg on foreign places, and which, of course, principally affects London. The following examples may be cited, assuming the par of exchange on London to be 38*d.* per silver ruble.

On the 1st July, 1857, the exchange on London was quoted in St. Petersburg at $38\frac{1}{2}d.$, but on the 1st of January, 1858, at $34\frac{11}{16}d.$, or a difference of 10 per cent; nor were the quotations less fluctuating in 1863. On the 29th of October the exchange on London was at $37\frac{15}{16}\ \frac{3}{4}d.$, and on Paris 396 centimes, whereas on the 1st November, three days later, the rates had fallen to 35*d.* and $35\frac{1}{2}d.$, and 367 to 370 centimes, or 9 per cent. On the 19th of November the exchange again fell to 33*d.* to $34\frac{1}{16}d.$ and 350 centimes, but rose again in the following week, so that towards the close of the year it stood at $34\frac{15}{16}d.$, $35\frac{1}{8}d.$, and 365, $365\frac{1}{2}$ centimes.

Such a variation in the rates of exchange, and the depreciation of the currency, after a temporary approach to a normal state, must exercise a very injurious influence, not only upon all the Economy of the Empire, but particularly upon foreign trade. All commercial intercourse between Russia and foreign countries is subject, through these fluctuations, to the greatest uncertainty; for those who consign goods on their own account cannot know previously whether the nominal value obtained may not, at the time of remittance, actually prove a loss from a subsequent fall in the exchange.

Neither can the buyer of Russian products calculate at the time of giving the order what provision he will ultimately have to make for payment. The Russian Government has not ignored the disadvantages of such a situation, and is again endeavouring to remedy it. But it is inexplicable that persons in authority at St. Petersburg should continue to entertain delusions on this subject, in spite of the experience already acquired as to the cause of the evil and the means of its effectual removal.

The depreciation of the currency, and the fluctuations in its value, are due entirely to the excessive emission of paper-money, and to its uncertain convertibility. The currency of the country and the foreign exchanges can only be restored permanently to a normal condition by a resumption of specie payments, which will at once regulate the circulation and the exchange without necessitating a recourse to artificial measures. The Government should enable the Bank to return to specie payments by converting the excess of the paper-money in circulation into interest-bearing stock, and by placing for that purpose at the disposal of the Bank an amount of specie proportionate to that which sufficed previously to the year 1853. No further measures will then be necessary on the part of the Government

to prevent the exchanges from deviating much from par, although they will still fluctuate slightly according to the relation between supply and demand. It is not the province of this Memorandum to give an opinion or to make any proposals respecting the general condition of Russian finances; but it may be remarked that a considerable increase of the national debt, owing to political circumstances, and a recurring deficit in the Budget, do not of themselves necessarily imply a derangement of the currency.

Since 1848, France has had financial results quite as unfavourable to show as Austria and Russia, viz., an enormous increase of the national debt and a continued yearly deficit. And yet how exempt from the retrogression which has taken place in Austria and Russia have been the commerce and financial condition of France. This is easily accounted for by the fact that the former States have an excessive paper currency of forced circulation, which has involved the currency in the general financial difficulties; while in France, on the contrary, no forced paper currency exists, and the Bank of France has never for a day suspended the payment of its notes. There is certainly no method of raising revenue more convenient or enticing than that of creating millions simply at the cost of paper and printing, and without the burden of an increasing amount of interest, and this is why Governments have such ready recourse to it when they become embarrassed. But by the operation of wise and natural laws the consequences of such a convenient expedient become all the more ruinous, and their remedy all the more difficult and costly, the longer it is resorted to. In the same proportion as the paper circulation increases and the value of money declines, the real income of the State is diminished (the sums being equal), while the burden of the payments for interest to foreign countries becomes in the same degree more oppressive. All kinds of strange explanations of this evil have been made, but they only mislead by suggesting artificial remedies. Enormous sacrifices are often made to counteract the symptoms of the evil, and occasionally, to all appearance, with success; as, however, its primary cause is not thereby removed, all these eventually recur in a worse form, while the means that should have been economised for a radical cure have been too hastily squandered away. The attempts which the Russian Government again made in the year 1863 to remedy the depreciation and the fluctuation of the value of money have proved this. Shortly before the outbreak of the Crimean war (1st of January, 1852) the amount of paper-money in circulation in Russia, independently of Treasury bills bearing interest, amounted to 303,797,128 silver rubles in credit notes against a cash reserve of 111,320,732 silver rubles, sufficient to make the notes convertible.

On the 1st of January, 1856, the conversion of the notes having been suspended, the amount in circulation had increased to 509,181,397 silver rubles, against a specie fund of 111,320,732 silver rubles. On the 1st of January, 1860, the paper-money in circulation amounted to 679,877,853 silver rubles, and the reserve fund to 96,241,618 silver rubles, of which only 86,870,014 silver rubles were in specie.

Of course the circulation of specie had as good as ceased, and a considerable part of the half-Imperials and rubles which had till then been in the hands of the public had gone to foreign countries, by which the importation of goods was greatly promoted. After the amount of credit-notes in circulation had fluctuated, during the following years, by a partial conversion and by fresh emissions, and had eventually reached the sum of 200,000,000 rubles, the resumption of specie payments according to a fixed scale of a gradually decreasing *agio*, was ordered by Ukase of the 25th April, 1862; for which purpose a loan of 15,000,000*l.* was contracted abroad. The consequences of this measure were that, from the 1st of May, 1862, to the 3rd of August, 1863, the specie payments amounted to 59,937,000 silver rubles more than the receipts; and that the rule adopted by the State Bank, on the 4th of August, 1863, by which credit-notes were exchanged for rubles, in silver, more or less worn, instead of for gold half-Imperials, was not long adequate to the demand for specie, of which the payment was soon after entirely suspended.

The Bank then made arrangements with some large banking-houses for supplying merchants with bills on certain foreign places at favourable rates, whereby the rates of exchange were artificially maintained. The loan of 15,000,000*l.* sterling was also partly employed with the same object (a portion of it having been kept abroad); but the effect of these measures was only to lessen, not to remove, the pressure for a direct conversion of the credit-notes in circulation. Besides, it appears that the Conversion Fund was almost exclusively resorted to for remittances abroad. When the specie reserve was exhausted, the demand for bills became all the greater, and the Bank was soon compelled to withhold even this resource, so that the artificially maintained exchange fell about 10 per cent. in a few days. Consequently the 15,000,000*l.* were expended without obtaining any permanent advantage as regards the resumption of cash payments; for the diminution of the amount of credit-notes in circulation by about 70,000,000 silver rubles exercised no important influence, and might, under the present system, be paralyzed by further emissions.

The persons who will have derived the greatest benefit from these measures are principally those who have been prudent enough, by the timely conversion of their credit-notes, or by purchase of bills at the cost of the Russian Exchequer, to realize the *agio* between specie and credit-notes, or to make use of the bills issued at a loss by the Bank in profitable money transactions. And if the Russian Government were again to contract a new loan, and to resort to bill operations still more artificial, with a view to the permanent re-establishment of the money standard, it is manifest that the attempt would be as futile as before, and be even rendered still more difficult of success on account of the annually increasing payment of interest to foreign countries.

The conversion of credit-notes at par, and the sale of bills at a normal rate, is an idle and useless effort, unless preceded by the conversion of credit-notes to the amount of 300,000,000 to 400,000,000 silver rubles, by which the mass of paper-money in circulation would be reduced to an amount adapted to the requirements of the country.

It might appear, at first sight, that the considerations here presented respecting the condition of the Russian currency may be regarded as foreign to the subject of a Treaty of Commerce. But a mention of the subject is evidently justifiable, for it is to the heavy discount on paper-money, and the high rates of exchange, as well as to the non-success of the costly financial measures above described, that the preponderance of imports over exports in the Trade Returns of Russia is to be principally attributed. It is argued that, if the balance is so much against the exports under existing high rates of duty, the introduction of a liberal Tariff, by facilitating foreign imports, will, while it operates still more unfavourably on the trade-balance of Russia, still further disturb the currency by driving all the specie out of the country, and thus render it impossible to resume the metallic conversion of credit-notes.

This assertion rests upon a perfect misapprehension of natural economical laws.

It has already been shown that the removal of a restrictive Tariff tends to promote an export trade, as well as the importation of foreign goods, and it is quite as clear that, while the paper money of a country is freely and uninterruptedly convertible, and while the balance between paper and specie remains unchanged, it is impossible to withdraw permanently the specie circulating in it.

In countries where there is no forced circulation of paper money, the metallic currency, or the specie reserve, is so indispensable to all classes of the population that they would, as a whole, voluntarily renounce other advantages, and submit to the greatest sacrifices, rather than permit the permanent withdrawal of specie or bullion beyond a certain limit.

If the exportation of gold and silver has exceeded that limit, a natural reaction unavoidably sets in, which, by the depression of prices generally, and by raising the rate of discount, renders the re-importation of bullion one of the most profitable undertakings, and soon supplies the country with the necessary amount of specie.

This is effected by the well-known rule, that the tendency of all goods (gold and silver not excepted) is to gravitate towards the quarter where they are in greatest demand, or where, in other words, they fetch the highest price in other products. And this natural adjustment has, moreover, the great advantage that its operation is gradual, that is, never more energetic than actual embarrassments and requirements demand, provided there be no Government interference, and provided, also, international intercourse is unrestricted.

With a purely metallic currency (or the equivalent, an absolute convertibility of bank notes), any increase of imports consequent on a liberal Tariff will always be equalized by exportation; for, whenever the balance is temporarily deranged in that direction, the importation of foreign goods will be immediately restricted by a fall in prices, and by a rise in the rate of discount; while, on the contrary, the same cause will promote the exportation of home products until the necessary equilibrium is again restored.

On the other hand, although the derangement of the metallic currency by an excessive forced paper circulation tends to increase the importation of goods, it has not the effect of checking a corresponding increase of exports. It operates merely against the exportation of bullion, which is, under such circumstances, one of the most advantageous articles of export, and cannot, therefore, be withheld by any strong prohibition. The experience of all countries, and particularly that of Russia, if practically viewed, has confirmed the correctness of this principle in the most convincing manner.

Should the Russian Government decide upon adopting the principle of the English Bank Act, that of leaving in circulation only so much paper money unrepresented by specie as experience has found necessary, and which shall, together with the specie in circulation, be sufficient, under all circumstances, for the requirements of the Empire, the amount of paper money that should be left to circulate in such an extensive Empire may be estimated at 300,000,000 or 400,000,000 silver rubles; and when, further, that amount of paper

is guaranteed by a reserve of specie rendering the notes convertible, no further Government interference with the currency and exchanges will be necessary. Russian statesmen would then be relieved of a great burden, and the revenue will improve when it is no longer paid in a depreciated and fluctuating currency. Nor would much loss be incurred by the exchanges in remittances abroad. Of course the resumption of specie payments cannot remedy financial embarrassments arising from an overstraining of the State credit, and from a regularly recurring deficit in the Budget; but however great and deplorable such embarrassments may be, they appear of little importance compared with the injury inflicted on all economical relations.

The example of France has shown that the question of the standard of value can be kept separate from that of the national finances. The artificial bill operations and other experiments to which the Russian Government has repeatedly resorted with great loss and without any durable success, are due to a misapprehension similar to that which permits the continuance of a restrictive system of Customs. It is to be hoped that both these hindrances to the healthy economical development of the Empire will soon be removed.

Independently of the conversion at home of a large part of the paper-money into stock bearing interest, Russia will be obliged, in order to resume specie payments, to contract a new and considerable loan abroad. It is only in that manner that she can make proper provision for the conversion, which should be preceded by a comprehensive plan, and by other preparations for the regulation of the entire monetary system, such as were not adopted when the loan of 15,000,000*l.* sterling was obtained in 1863.

There would be no more effectual means of reviving the credit of Russia, and especially in England, and of contracting such a loan on comparatively favourable terms, than by the introduction of a liberal Tariff of guaranteed duration, of which the conditions shall have been embodied in a Commercial and Customs Treaty with a neighbouring State.

V. Position of the Zollverein in reference to a Commercial Treaty with Russia.

The defects of the present Tariff of Russia, and the advantages which the country would derive from its reconstruction, have been considered in the preceding sections with the view of showing that a Commercial and Customs Treaty with the German Zollverein would not require any sacrifice on the part of Russia, but would rather promote and ensure that which the Empire, at the present stage of its commercial development, should carry out in its own interest, even without any such Treaty. Russia would not be called upon, any more than France at the time of the Treaty with England, to make any concessions in favour of interests which will not also be those of the entire population of Russia.

In respect to a Commercial Treaty, the Zollverein is in the same position towards Russia as Great Britain was towards France in 1860. The Russian Government should not expect any pledges from the Zollverein that are not compatible with the true interests of Germany.

The prospect of concluding a Treaty of Commerce between Russia and the Zollverein would be exceedingly doubtful, if, as on former occasions, mutual concessions are to be negotiated on the basis of existing Tariffs. The principal difficulty would arise from the circumstance, that within the last few years several alterations have been made in the Tariff of the Zollverein, which are more important to the export trade of Russia than to that of any other, and which should, therefore, according to the old theory, have been exchanged for a full equivalent. Considerable reductions of the import duty on tallow, one of the most important articles of Russian exports, were thus made in 1854, 1860, and 1863, viz., it was reduced, first, from 3 to 2 thalers, then to 1 thaler, and ultimately to 15 silver-groschen per centner. The transit duty, which produced a considerable revenue from the exports of Poland, viz., a yearly average of 300,000 thalers, was also abolished in 1864. The Governments which constitute the Zollverein have been too judicious to postpone any modifications in the Tariff, which appeared necessary in their own interest until they should be bargained for in a Treaty of Commerce. As, however, these modifications (not having been stipulated by Treaty) might at any time be revoked as regards Russia, it is quite clear that such important facilities would be quite as highly estimated, if they were only now introduced. The importance of the concessions made by the Zollverein to Russia would soon become evident, if the former conditions of the Tariff were for a time to be established, only to cease as soon as the Treaty shall have been carried into effect. Russia might, perhaps, in addition desire to stipulate for the admission into the Zollverein of other of her products free of duty, or on payment of a very low duty. Those articles of export are corn, oil-seeds, timber, tallow, bristles, flax and hemp, skins, leather, mats, &c.*

* A statistical review of the commercial intercourse between Russia and the Zollverein, taken from the official publications of both Governments, will be found in Tables C and D.

The present import duties levied in the Zollverein on the above products cannot be looked upon by any means as excessive. A desire has also been expressed that certain articles of food and raw materials for industrial purposes should be admitted either free of duty or at a low duty. It might not be difficult to meet the wishes and proposals of the Russian merchants in this respect on the conclusion of a Treaty of Commerce. In the tables of duties to be attached to such a Treaty the rates imposed by the Russian Tariff on manufactured goods (which are not to be increased while the Treaty remains in force) must, on the basis of reciprocity, be placed opposite to corresponding rates levied in the Zollverein.

Should there be any other articles of Russian produce which that country might legitimately desire to have admitted into the Zollverein duty-free, or with a reduction from existing rates, there can be no hesitation in taking such wishes into consideration. It will be for the merchants of Russia to urge any such claims; for the object of the present Memorandum is to deal chiefly with matters concerning the trade and industry of Germany.

There is another point of great importance as regards the concessions to be made by the Zollverein to Russia, viz., a concession without which the Russian Government will find it exceedingly difficult, and perhaps almost impossible, to effect a radical and durable improvement in its Customs system, and in the management of its frontier Custom-houses, on which the desired commercial and financial results mainly depend. The point in question is the union of conterminous Russian and Prussian Custom-houses on the frontiers, and the establishment of a proper "Customs Cartel."

When the Russian Government makes a rational reform in the Customs, it is evident that the reduction of the Tariff, and the removal of the many abuses connected with it, will be its primary conditions; but a simultaneous reorganization of the administration of the frontier Custom-houses is equally indispensable. Its defects have already been pointed out, and need not be recapitulated.

It might, perhaps, be called into question whether the junction of the frontier Custom-houses, and the establishment of a Customs Cartel, would be the most effective method of re-organizing the Russian Customs on the frontiers. A constant reciprocal control might be established between conterminous Custom-houses, and the original documents for the discharge of the Prussian Customs might accompany the goods until the final discharge of the Customs in Russia. Through the long continuance of a restrictive system, and of an excessively high Tariff, the custom of illicit intercourse has attained such wide dimensions that many prudent measures will have to be taken to protect the interests both of the revenue and of honest traders whenever the liberal reforms are introduced.

The junction of frontier Custom-houses stipulated by Article VIII of the Commercial and Customs Treaty between the Zollverein and Austria of 19th February, 1853,* has been found to act in a very satisfactory manner, and the Committee is not aware that any disadvantages have arisen from it. The adoption of a similar arrangement on the Russian and Prussian frontiers, combined with a Customs Cartel similar to that in force between Austria and the Zollverein, would be found equally beneficial to Russia. Apart from the financial control thus attained, the facilities afforded are of great service to commerce, by allowing a much more rapid transit of goods from one territory to the other, and a more speedy discharge of formalities connected with the payment of Customs duties.

By a special arrangement similar to that which was adopted between Prussia and France on the 2nd August, 1862, the same facilities might likewise be applied to goods transported by rail between Russia and Prussia.

At the same time, such a union of the frontier Custom-houses, and the establishment of a Cartel, can only be agreed to on the part of the Zollverein, on the condition that the introduction of a really liberal and rational Custom system and the abolition of existing anomalies be guaranteed by Russia in the form of a Treaty. A Commercial Treaty between the Zollverein and Russia which does not introduce a thorough reform of the present restrictive system, and which only gives unimportant facilities to trade, while the administration of the Prussian Customs would be called upon to protect the finances of Russia against the injurious effects produced by illicit traffic, would be foreign to the purpose, and very prejudicial to the interests of German commerce. Nor would it be less prejudicial to the interests of Russia, for the prospect of a thorough Customs reform, so necessary for the development of the Russian resources, would only become the more distant. Any stipulation in the Treaty that would have the effect of keeping up the present restrictive duties could not ultimately prove advantageous to the Russian finances; it would also

* This Article reads:—"The Contracting Parties agree to unite their frontier Custom-houses whenever circumstances shall permit, in order that the Customs examination of goods passing from one territory to the other may be made simultaneously."

drive away the traffic from Prussian towns on the frontier to the frontiers of other countries and the chief seaports—a change which the States of the Zollverein have not the slightest inclination to promote.

Although the principal object of the proposed Treaty between the Zollverein and Russia will be to make stipulations respecting the Tariff, and to obtain increased facilities for commercial intercourse, yet it is essential that the Treaty should give Prussia, on the basis of reciprocity, all those advantages in matters of navigation which Russia has already conceded, in recent Treaties of Commerce and Navigation, to Great Britain, France, and Italy; viz., the Treaty must contain the usual favoured nation clause.

It appears superfluous to refer in this Memorandum to the special clauses of such a Treaty; we may only observe that it should contain adequate reciprocal obligations respecting the treatment of ships and subjects, of their property on decease, consulates, &c. The particularly expressed desire of some of the Chambers of Commerce must also here be noticed, viz., that the right should be granted to German Consuls, in virtue of their office, to receive and take charge of salvage, in cases when the owners of the shipwrecked vessels do not authorize other persons to do so—a right that is secured by Treaty to English Consuls in Russia.

It should likewise be stipulated that ships entering harbours on account of contrary winds or damage at sea, and even in search of freight, should be allowed to leave again, if they neither load nor unload, without payment of harbour dues and other charges, as stipulated in other existing Treaties of Navigation made by Russia.

We now submit a subject which does not appear to have ever been touched upon before. It might be thought advisable to take into consideration a mutual concession of free coasting navigation between the two countries, so that German vessels might have the privilege of taking freight from any harbour in Russia or Finland to any other port in the Russian Empire. In exchange, the same privilege would of course be granted to Russian and Finnish vessels as regards the Zollverein, and eventually in respect to all the German ports. The interest of the Russian and Finnish, as well as those of the German shipowners, would thereby be greatly promoted.

Should the Russian Government consent to such a mutual arrangement, it should be stipulated that German ships shall be allowed to discharge portions of their cargoes in one Russian harbour and the remainder in another, as well as to complete their cargoes in different harbours in the same territory. The same rights would of course be granted to Russian ships in German ports.

It has also been brought to our notice that in several Russian ports dues are levied irrespective of the size of the vessel. Rates according to tonnage would be more desirable.

It has also been strongly urged by the representatives of German shipping interests that the unloading of vessels at the Custom-houses should be effected with greater despatch, and that arrangements should be made, if possible, for the direct discharge of the duties, without necessitating the cargo being first sent to the Custom-house from the port of discharge. A more rapid method of clearing ships' papers at the Custom-houses, after discharge of cargo, should also be introduced, in order that questions of damage, short weight, &c., might be at once settled. Under the present system claims for pretended damage and short delivery are sometimes made against the masters of vessels several years after the discharge of the cargo.

The complaints against these crying evils are fully confirmed by the merchants of St. Petersburg, as will be seen by the following extract from the "St. Petersburg Zeitung" of 28th December, 1863:—"The goods do not find sufficient room on arrival at the Custom-house of St. Petersburgh, so that the ships have to be unloaded by turns, which often requires weeks . . . The warehouse room is so deficient that expensive goods have frequently to remain lying in the open air. Delays in the receipt and delivery of goods are therefore inevitable, and their custody and control is attended with difficulties and unnecessary expense, sometimes even with the loss of the goods themselves. The Custom-house is so situated that, under the most favourable circumstances, seventeen to twenty days, calculated from the time of the arrival of the ship at Cronstadt, must elapse before the goods, which were only six or seven days on their passage from London, can be cleared and received."

In most of the Russian harbours vessels are subject to a variety of dues, levied by the Government, by towns, by corporations, and by private individuals. It is desirable that the Russian Government should remove this evil, and arrange a definite uniform scale of charges upon ships. In exchange, similar alterations in shipping dues could be made in Prussian ports, where their reduction is already considered equitable and desirable.

Concluding Observations.

"So long as France, a country which by reason of its high state of civilization and prosperity is destined to occupy a prominent position in the commerce of nations, shut herself out from commercial intercourse with foreign countries, the other States of the Continent were held back by the force of example, and by the interests of a freer commercial legislation. It was therefore a truly historical event in the economical relations of Europe when a complete reconstruction of the French commercial policy in its principal features was effected by the Treaty of Commerce between Great Britain and France, signed on the 23rd January, 1860. Since then, a correct appreciation of economical truths has made such rapid progress in all countries that any attempt at isolation becomes daily more difficult; and *the great interest which the Zollverein has in seeing her Eastern neighbours follow the movement initiated in the West of Europe,* could not be better promoted than by the decision which the Zollverein has manifested in connection with the movement."

This passage in the Memorandum which accompanied the proposal made to the Diet for a Treaty of Commerce with France, since concluded, sufficiently shows that the Prussian Government recognizes the high importance of a Commercial and Customs Treaty, and consequently will be ready to lend its hand to the conclusion of such a Treaty, if it is met in the same spirit on the other side.

Several German Chambers of Commerce have (as has been already stated, and as may be seen on reference to Appendix A) years ago urged the introduction of increased facilities for commerce with their great Eastern neighbour, and if the expression of these wishes has not been more frequent and general, it is because it would only have been a repetition of what had already been urged before without success.

The very great approbation which the intention of the permanent Committee, with reference to the commencement of negotiations for the conclusion of a Commercial and Customs Treaty between the Zollverein and Russia, has met with on the part of nearly all the German Chambers of Commerce, shows, in the most decisive manner, how general and strong is the desire for such a Treaty, and what favourable results may be expected from it. The benefit of such a Treaty would not consist merely in procuring a more favourable market for the sale of German products and manufactures, which until now have been overtaxed by the Russian Tariff and depressed by illegal trade, but also quite as much, and perhaps more, from the general increase of intercourse with a neighbouring State, whose commercial area is one of the most extensive in the world. Besides, the introduction of a liberal and rational Customs Tariff by means of such a Treaty would not only give a great stimulus to the exchange of goods with foreign countries, but would contribute more especially to the promotion of German commercial interests.

The value of the goods exported and imported in the Zollverein in the years 1860 and 1861 (exclusive of transit traffic) is approximatively estimated as follows:—

	1860.	1861.
	Thalers.	Thalers.
Imports	371,151,000	402,078,000
Exports	353,259,000	354,099,000
Total	724,410,000	756,177,000

If the value of the transit traffic (imported and exported) be included, a sum of 300,000,000 thalers would have to be added to the above amount. The value of the traffic in goods between Russia and the Zollverein is as follows, extracted from the Russian trade statistics:*—

	1860.	1861.
	S. Rubles.	S. Rubles.
Imports into Russia from Prussia	19,929,000	19,995,000
Exports from Russia to Prussia .	25,114,000	26,180,000
Total	45,043,000	46,175,000

* Tables C 1 and 2, and D 1 and 2, give a detailed account of the principal articles of trade between the two countries, according to their several official Returns, respecting which it is to be observed, that the Tables of the Zollverein (Table C) only comprise the trade with Russia and Poland on the frontier, so that the trade between the seaports of the Zollverein and Russian ports is not included. With respect to Table D, extracted from Russian Returns, it is to be observed, that there the trade with Prussian ports is included, but not the imports and exports of Russia to and from the Zollverein ports (from Hanover and Oldenburg) or by the Hanse Towns to and from the Zollverein.

If it is considered that the computation of value in the Russian statistics of trade is fixed at about one-third higher on an average than in the Returns of the Zollverein, and that the mere transit traffic through Prussia from and to Russia is also included therein, it may, with tolerable certainty, be maintained that the direct goods traffic of the Zollverein with Russia is only about 5 to 6 per cent. of the whole international traffic of the Zollverein. This is indeed but a small proportion when the extent of the Russian Empire, and the importance of the Prussian harbours to the Baltic trade, and the long land frontier from Memel to Kattowitz, are considered. A liberal Commercial and Customs Treaty with Russia would soon produce a most surprising progressive development of the hitherto unnaturally limited commercial intercourse with that country, in imports as well as in exports, and would be followed by the most beneficial results to the economical interests ef Germany.

As regards Russia, that State will, as has been shown by the foregoing considerations, experience a still greater advantage even than the Zollverein from a Commercial and Customs Treaty, and a thorough reform of the Tariff. The connection of such a measure with other national improvements in Russia, the example of other great nations of Western Europe, the considerations respecting the suppression of smuggling, and, above all, the increase of the national prosperity and the development of its resources by the removal of the present artificial system, as well as its anticipated effect upon the finances, are all most irresistible arguments to persuade Russia to withdraw, as soon as possible, from a state of commercial isolation. Russian commercial statistics give the most convincing evidence of the existence of such a state of isolation. They show the total value of the imports and exports of goods in European Russia to have been :*—

	1860.	1861.
	S. Rubles.	S. Rubles.
Imports	135,893,000	142,750,000
Exports	165,184,000	159,860,000
Total	301,077,000	302,610,000

If from these amounts a proper deduction be made for excessive valuation, the total amount of the foreign trade of European Russia in late years cannot be taken at more than about 230,000,000 thalers per annum, in imports and exports together. Estimating the population at about 61,000,000, the amount per head is scarcely 4 thalers, whilst in the Zollverein (without adding the transit trade) it is 21 thalers per head, which, after the coming in force of the Franco-Prussian Treaty of Commerce, will be considerably increased.† It may, therefore, be reasonably maintained that the present Russian Customs Tariff is hostile to trade, and has placed Russia in a state of commercial isolation, to emerge from which by means of a comprehensive Commercial and Customs Treaty with the Zollverein is daily more urgently requisite in its own interest.

In conclusion, we cannot abstain from returning once more to a question of principle, which was particularly referred to at the commencement of this Memorandum. A Commercial and Customs Treaty between Russia and the Zollverein which is to be in keeping with the requirements of the age, and to satisfy the expectations which it will create, must avoid all idea of obtaining advantages for one country at the expense of the other, and merely strive to obtain that which is compatible with and based upon mutual interests. Should these principles not be recognized at the commencement of negotiations for a Treaty, and should the Russian Government have not yet determined to abolish its restrictive system, it is preferable to defer for the present the conclusion of a Commercial Treaty, rather than to make gratuitous concessions which would be highly important to her in matters of frontier administration, and which would be merely repaid by the provisions of ordinary Treaties, and, perhaps, by some slight reductions in the Tariff.

The Prussian Government distinctly declared, on the conclusion of a Commercial Treaty with France, that it was not her intention to apply the reductions then made only to the importation of French articles, or to importations direct from France, but to recognize the future reduced Tariff generally without any differential exceptions. And

* Returns of the foreign trade of Russia in the years 1860 and 1861 are contained in Tables E and F 1. In Table E is also given a calculation of the average prices, based (according to the Russian official statistics) upon the valuation, reduced into thalers per centner, by which the great difference in the computed value is explained. It may also be observed, that the total amount of the imports of Russia in 1861, approximatively ascertained, and including the Asiatic provinces, according to the quantity of goods, and employing the average prices fixed by O. Hubner for the Zollverein trade, is about 112,000,000 thalers against 164,890,000 silver rubles or 175,000,000 thalers, in the Russian official statistics.

† In Great Britain and Ireland, with a population of about 29,000,000, and a foreign trade of 2,514,000,000 thalers in 1861, the corresponding average amount is 87 thalers per head of the population!

just as little has it been stipulated that certain concessions recently made by France to the Zollverein should be exclusively in its favour. Undoubtedly also the same principle will be maintained on the conclusion of a Commercial and Customs Treaty with Russia, so that the new provisions of the Tariff will be recognized generally without any new modifications.

In this manner the Treaty to be concluded with Russia by Prussia for the Zollverein will equally operate in favour of the other German States, viz., the Hanse Towns and Mecklenburg, and especially *Austria*, which on account of its extensive frontier bordering on Russia will, next to Prussia, be mostly interested in a liberal Russian Customs system.

The compilers of the present Memorandum have believed that they would lay themselves open to the charge of indiscretion if they attempted to give any formal outline of the provisions of the desired Commercial and Customs Treaty. Their object has been to give a stimulus to this great undertaking, and to supply some useful materials for it. If that object has been in any measure attained, the Committee of the Commercial Congress may with confidence leave the rest to the discretion and experience of the respective Governments of the German States.

The Committee of the Congress is persuaded that there has seldom been a more favourable opportunity and a more urgent demand for the conclusion of a Commercial and Customs Treaty between Russia and the Zollverein: as regards Russia, from motives connected with its internal economical development; and in respect to the Zollverein, from considerations of the demand for free trade with the East, the proposed renewal of the Zollverein Treaties, and the entire reconstruction of its Tariff incident thereto. The unfettering of international trade, and the accompanying elevation of the mercantile and industrial classes, is certainly at all times a great blessing to a people, but more especially when, after exciting political events and disturbing economical conditions such as those operating at present in Poland, there is necessity for a salutary work of peace destined to take deep root. As the Treaty between Great Britain and France has been rightly looked upon as forming an historical epoch, so a corresponding Treaty between Russia and the Zollverein would not be denied a similar honour. Although the merit of entire originality could be claimed by such a service, yet this important circumstance must be taken into consideration, that the Russian Empire comprises one seventh part of the habitable surface of the globe, and that no country could give a prospect of greater results than Russia, hitherto so very backward in her economical development.

Berlin, February 1864.

The Permanent Committee of the German Commercial Congress.

APPENDICES TO PART III.

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APPENDICES.

Appendix (A).

Extracts from the Yearly Reports of the Prussian Chambers of Commerce for 1860, 1861, *and* 1862, *in reference to Commercial Intercourse with Russia.*

For the Year 1860.

The Chamber of Commerce at Dantzic:—

We have already drawn attention in earlier Reports to the fact that the position of our town at the mouth of the Vistula (which, with its tributaries, flows through a well-cultivated and productive country), favours in an unusual degree the importation and further transport of merchandise; and that the Russian Customs system closes the frontiers of the Kingdom of Poland on the west by the imposition of heavy duties, nullifying the concessions made by the Congress of Vienna and by Treaties of Commerce and Navigation.

If we compare the figures of the importation and exportation of goods (the former is only one-quarter of the latter), and if we consider further, that of the 2,535 ships which entered our harbour last year, 1,529 came in ballast, seeking freight, and that only 33 sailed again in ballast, the many drawbacks of the present state of affairs cannot be a matter of doubt. We may mention that remittances for imports and drafts for exports are not effected at Dantzic; and that settlements for three-fourths of the latter have to be made abroad in specie. We need only point out the fact that our commerce has to bear the whole difference of freight, and that three-fifths of all entering ships are obliged to seek our port in ballast. The river traffic likewise suffers from this state of things, as many of the boats go far into the interior of Poland unladen, in order to bring back the produce of that country.

We cannot avoid complaining again and again that our Government does not seriously consider the advisability of revising the Treaties of Commerce and Navigation with the Russian Government. We cannot believe that negotiations opened with energy would remain without result. That large Empire can no longer remain blind to the conviction that its system of railways, and the River Vistula, navigable for the most part in its dominions, require that the traffic should be relieved of prohibitive duties and imposts. As a belief in the correctness of the protective system disappears more and more from the views of prominent statesmen, we may hope that by continually bringing forward the question the barriers established by our great neighbour on the east will be removed.

The Chamber of Commerce at Thorn:—

The trade with Poland, as far as it affects our place, particularly in the extensive retail trade in cutlery, wines, metal goods, manufactured goods, and Colonial produce, has not been so brisk as usual since the autumn of the present year. If the circumstances of the farmers in the neighbouring Polish provinces, represented as being much disarranged, have contributed a good deal to produce that result, we nevertheless believe that the chief cause is to be found in the progressive depreciation of the value of the Polish-Russian paper-money, as well as in the complete want of Polish-Russian silver money and small coin. The latter has so completely disappeared in the interior of Poland, that small transactions are rendered much more difficult than formerly. In several of the more important towns, as, for instance, in Lublin, the merchants have issued notes in the form of promissory notes of the value of 10, 20, and 50 copecks. In other places bonds have been issued in Hebrew type. The Russian Government has not offered any impediment to those arrangements, and has allowed them free scope. This almost total deficiency of small coin is very vexatious and tiresome to travellers.

With respect to the importance of Poland for Prussian commerce, we beg to express once again our desire that a Consul belonging to the mercantile community should be placed at the side of the Consul-General at Warsaw.

The commercial relations between Prussia and Poland are very extensive, and are in fact on a much larger scale than those between Prussia and any other non-German country. The trade, industry, and agriculture of Poland are deeply imbued with a German spirit. The two former are almost entirely directed and carried on by Germans. Millions of Prussian capital are invested in the Polish trade.

The Chamber of Commerce at Posen:—

Our commercial relations with Poland have not been more favourable during the past year. The increased difficulty in the clearance of goods at the Polish frontier has been already referred to, as exercising a prejudicial influence. The Government would meet a general wish, were it to obtain by

negotiation with the Imperial Russian Government, some alleviation of the Customs formalities on the Polish frontier.

A favourable result may well be expected in such a negotiation, since the Russian Government has recently notified its intention of doing away with abuses and of promoting commercial reforms. Presuming that a reform of the oppressive system of clearing goods will soon be effected, we refrain from making further proposals in reference to the alteration of existing Customs and Commercial Treaties with Poland.

We may here, however, draw attention to the manner in which the navigation of the Prosna is impeded.*

The Chamber of Commerce at Breslau:—

No improvement has taken place either in our Customs or monetary relations with the neighbouring States of Russia and Austria. The many attempts of the Russian Government to improve the currency have produced no result. The frontiers of Russia are still closed.

Nevertheless, we look hopefully to the future. By the emancipation of the serfs 23,000,000 human beings have been declared free. Their welfare would be still further promoted by the abolition of the protective system now in force.

For the Year 1861.

The Elders of the Commercial Community of Dantzig:—

We have already expressed the wishes of our community as far as they relate to local interests, We repeat our suggestion that the Royal Government should enter into earnest communication with the Russian Government in regard to the revision of the Treaties of Commerce, as well as in respect to the navigation of the Vistula. Our merchants have suffered considerable loss during the past year in consequence of the shallow condition of that river, and it is well known how prejudicially the Russian Tariff affects our trade. We can scarcely, however, expect that negotiations would lead to success while the condition of our neighbour remains so lamentable; political questions occupy both the Government and the people, and the advancement of material interests is little heeded.

The Chamber of Commerce at Thorn:—

Our commercial relations with the neighbouring country have not improved during the past year. Political agitation has exercised a prejudicial influence upon the trade of our place and on that of neighbouring towns on this side of the frontier.

The Chamber of Commerce at Posen:—

On the other hand, the disadvantages in our relations with the Kingdom of Poland, alluded to in previous Reports, still continue, and stand immoveably in the way of the desired expansion of commerce in that direction. An almost equally powerful check to the prosperous development of our trade with the neighbouring country is to be found in the unsatisfactory state of the currency.

For the Year 1862.

The Chamber of Commerce at Memel:—

The extent of our commerce here, at the extreme end of the frontier of Russia, is limited, in the absence of the means of communication necessary to trade; we lament this the more since the importation of tea, which has for some time been permitted at most Custom-houses, is forbidden at the Custom-house nearest to Memel, that of Polangen. We have considered it our duty to report this to the Royal Ministry of Commerce, and its influence will, no doubt, succeed in obtaining the withdrawal of the prohibition. We consider it the interest of both States that a Commercial Treaty should be concluded between Russia and Prussia. It is also desirable that the commercial code of Russia should be amended. The Russian creditor obtains, with small cost, payment from the Prussian debtor; but the Prussian creditor may prosecute his just claims for half-a-year, and will then only attain his object if, after having incurred heavy expenses, he determines to accept a compromise.

The Chamber of Commerce at Tilsit:—

The sum which our place has lost during the eight years in the trade with Russia may be reckoned at more than 1,000,000 thalers, of which at least a third falls to the wholesale trade in manufactured goods. A large portion of those arrears now lying in the warehouses and drawers of the debtors on the other side might be recovered, if the Russian administrators of justice, like those of more civilized countries, would assist us. Unfortunately this is not the case.

The Chamber of Commerce at Königsberg:—

The carriage of goods *viâ* Königsberg would be much increased, *i. e.*, Russian articles of export

* The subject being merely of local interest, its consideration is omitted in this translation.—T. M.

would find their way more *viâ* Königsberg than by any other route, if the Russian railway companies would arrange their Tariffs in accordance with the principles of the times. Much would be gained by the adoption in Russia of the Tariff of the Prussian Eastern Railway.

The Chamber of Commerce at Dantzig:—

The time seems to have arrived for the conclusion of a Treaty of Commerce and Navigation with Russia. The Russian Government can no longer shut its eyes to the fact that the illiberal Customs Tariff which, in disregard of former Treaties, has been in force during the last forty years, has not alone affected our own provinces, but has also most sensibly injured Russia. It is not one of the least evils of the system that the demoralisation of a great part of the official body of that country is much increased, the results of which are now all the more felt, since it is endeavoured to restore confidence between the governed and the governing, by promoting the material welfare of the people, and by the introduction of a strictly just administration.

The Chamber of Commerce at Thorn:—

It is well known what destructive results the prohibitive system maintained, up to the present, by Russia has had and still continues to have, not alone as regards Prussian commerce, but in a much greater degree with respect to the well-being of the Russo-Polish frontier provinces. That system only promotes the interest of the official personages connected with the Customs, and it depraves them at the same time. As the Russian Government intends to extend its reforms to the Customs, the representation of our own Government in behalf of a Treaty of Commerce and Navigation with Russia might meet with a favourable reception.

The Chamber of Commerce at Posen:—

We have already alluded to the evils inflicted on the trade between Russia and Poland by the insupportable Customs and Commercial administration of the Russian Government; and we now restrict ourselves to the following proposal:—

The Constitutional and Legislative reforms commenced by the Russian Government, render appropriate the negotiation of a Commercial Treaty in accordance with the spirit of the times. For this purpose we have requested the different commercial bodies of this country to give their united support in this matter, and to supply the necessary materials, in order that they may be placed at the disposal of the permanent Committee of the German Commercial Congress.

The Chamber of Commerce at Berlin:—

Russia has carried out the most comprehensive reforms—the emancipation of the serfs and the abolition of the brandy farm monopoly; the chief features of a wise judicial reform have been proclaimed; and their final introduction will render closer commercial relations with Russia possible, and remove the distrust with which Russian justice has been rightly viewed.

The steam navigation of the Volga, the principal channel of inland trade, is already extensively developed. The railway from Petersburg to Warsaw, and to the Prussian frontier, and that from Moscow to Yaroslaf and Nijni are in operation; the line to Saratof is progressing towards completion. Measures have been taken to regulate the financial relations and the money standard. A very lively desire is becoming manifest in Russian commercial circles for reform in the Customs, in the passport system, &c. A large and certain revenue would be yielded to the State by an extension of commercial transactions. On the side also of Prussia and Germany the necessity is becoming daily more felt, of giving greater extension and regularity to commercial intercourse with Russia.

We are also engaged in stimulating the Chamber of Commerce of Posen to enlighten us as to what is to be most urgently desired for the development of relations with Russia; and the Committee of the German Commercial Congress has issued a summons to all German Chambers of Commerce, to place the requisite materials at its disposal, in order to interest the German Governments in the negotiations with Russia.

Appendix (B).

Summary of the Special Observations on the Russian Customs Tariff made by the several Chambers of Commerce of Germany.

The Committee of the Commercial Congress has considered itself in duty bound to append to this Memorandum, a complete summary of the observations made on the Russian Customs Tariff by a great number of Commercial Bodies, without recommending them in all their details, or subjecting them to criticism.

As the observations in question were mostly made at the commencement of the year 1863, they have been based on Customs Regulations then in existence. For better survey, the salient points of the Russian Tariff are placed before most of the observations in as concise a manner as possible, the original Customs duties being reduced into German money and metrical weight.

First Division.—*Articles Free of Duty.*

To these might be added without infringing the principle on which the list of duty-free goods has been drawn up:—

Under No. 17: vessels of glass not cut, all for chemical, pharmaceutical, medical, and photographic purposes; as evaporating dishes, chemical glasses, mortars, spoons, lamps, retorts, alembics cylinders, saucers, apothecaries' stationary vessels, medicine glasses, all blown glass manufactures belonging to this place, with or without wood, metal, &c.; further, glasses for electro-magnetic requirements in general, and all glasses for scientific purposes.—(Berlin.)

Under No. 36: to machines and models for farming, for factories, arts, and trades, "as well as copying-machines," should have been added sealing and stamping-machines; further, chemical-pharmaceutical stoves, and all kinds of cooking-machines, in respect to the fireplace completely or partly of cast or wrought iron, with or without cement, fire-clay, or such like lining; all kinds of carriage, locomotive, and other windlasses, decimal and centesimal bridge-scales, apparatus for the manufacture of beet-root sugar, for the boiling of dyes, for divers, and gas apparatus, with all necessaries, steam-carriages, and tenders.—(Berlin.)

Under No. 48 there should be added millstones, whetstones, grind-stones.

Under No. 49—thermometers, barometers, microscopes—to add alcohol-meters, manometers.

Under No. 50 (clay of all kinds), should be mentioned—all composition stone manufactures of cement or fire-clay, with or without tiles, as steps of stairs, pillars, capitals, and such like; of the same kind of large composition stone productions for other purposes, as cattle-cribs, artificial grottoes, and such like.—(Berlin.)

Under No. 51 (pottery goods of sandstone or fire-proof clay, used for metallurgical and chemical works)—pottery goods of fireclay, cement, graphite, delfware, and *kronfayence* (also called health utensils), porcelain.—(Berlin.)

Second Division.—*Articles subject to a general Duty of* 20 *copecks per pud.*

Under No. 59 are enumerated the down of geese, swans, ducks; it would be well to add quills.—(Berlin.)

Under No. 71, pressing boards, pasteboard, and the like, we might mention packing paper, ordinary straw paper, grey blotting paper, ordinary paper hangings, and filtering paper; further, all kinds of pasteboard for bookbinders, and roofs of houses.—(Berlin.)

Third Division.—*Goods subject to various Duties, and Prohibited.*

First Section. Articles of Food and Necessaries of Life.

No. 86. Breadstuffs—

	Per Chetvert.
Barley and rye, by sea - - - -	60 copecks
„ „ by land - - - -	20 „
Wheat and peas, by sea - - - -	90 „
„ „ by land - - - -	30 „

These duties are reckoned much too high by sea. A reduction would be advantageous to Russia. With the exception of barley, an importation of corn into Russia is only to be expected in case of the failure of crops, when the high import duty would render it impossible for the Russian corn merchants to draw supplies from abroad, even should the improvement of the trade demand it, in order that they might apply it to a further foreign demand. Barley is required by all the Provinces in the North Sea on account of the extraordinary increase in the consumption of beer. To levy duties upon grain appears altogether irrational.—(Stettin, Insterburg.)

No. 89. Cocoa, in pieces and powdered; chocolate in same way—

By sea - -	8 silver rubles (26 thalers 11 silvergroschen) per pud.
By land - -	6 silver rubles (19 thalers 23 silvergroschen) „

is a duty that amounts to a prohibition. Reduction to one-half would probably render some trade possible.

No. 96. Sugar. Vide Table of Duties in Memorandum.

No. 97. Confections, preserves, &c.:—

By sea - -	6 silver rubles (19 thalers 23 silvergroschen) per pud gross.
By land - -	4 silver rubles (13 thalers 6 silvergroschen) „

The confectionery and tragacanth goods of Stuttgardt already, to some extent, reach the Russian market. A considerable reduction in the duty is desired.—(Stuttgardt.)

No. 104. Fruits of all kinds, fresh, salted, and softened, excepting those specially named; grapes the same—45 copecks (1 thaler 14 silvergroschen) per pud. This duty is too high, and should be reduced at least one-half.

Dried fruit, with a duty of 1 silver ruble (3 thalers 9 silvergroschen) per pud, also requires a considerable reduction in the duty. Fresh, as well as dried fruit, would be imported into Russia in much greater quantities, if the duties were not so high.—(Lubeck.)

No. 114. Corn-brandy and corn-spirit, liqueurs, cherry brandy, and so forth, are prohibited. After abolishing the farming of the sale of brandy, the importation of these spirits into the Empire of Russia will no doubt be soon permitted, as it has been for some time into Poland. The import duty upon liqueurs, &c., into Poland, of 96 copecks per bottle, would be too high if any business worthy of the name is to be done by Germany. The demand for German liqueurs on the part of the Russain brandy-farmers, with 60 copecks duty, as well as by Polish traders, with a duty of 96 copecks, was very small.

No. 115. Wine. (Refer to Table.) The manufacturers of sparkling wine, within the Zollverein, desire above all a reduction of the duty from 90 copecks to at least 30 copecks, such as is borne by other bottled wines. A further reduction should recommend itself by an increase of consumption and customs receipts.—(Berlin, Memel, Bingen, Kaiserslautern, Offenbach-on-Maine, Stuttgardt, Worms, Esslingen.)

No. 116. Beer in barrels. The present high duty excludes German beer. The rates should be reduced to 50 copecks (1 thaler10 silvergroschen) per pud gross, and to 5 copecks the bottle.—(Berlin.)

No. 122. Cheese. The very high duty, approaching to prohibition, requires great reduction.—(Insterburg, Sorau.)

No. 126. Salt is subject on its importation into Russia to different duties at different Custom-houses—32 copecks the pud (1 thaler 2 silvergroschen the centner) at the Custom-houses situated on the Prussian frontier. The importation into Poland for open sale is prohibited. It is desirable to obtain the free transit of salt through Poland.—(Berlin.)

No. 131. Tobacco. Since 1860 the tobacco trade has, under certain conditions, been thrown open to all. An active trade would arise if the present very high duties were reduced to about a third. Amongst others, the tobaccoes of the Palatinate, of which 300,000 to 400,000 centners are cultivated yearly, would find excellent application as covering leaves, of which Russia has none of home growth.—(Berlin, Memel, Breslau, Kaiserslautern, Offenbach, Worms.)

Third Section. Raw Materials and Half-raw Materials, used in Manufactures, &c.

Nos. 135-136. Cotton yarn. (Vide Table.) An important reduction of these rates of duty appears urgently necessary. Red yarn is used in considerable quantities in Poland.—(Breslau and other Silesian Chambers of Commerce, Gladbach.)

Nos. 138-149. Chemicals and chemical products are highly taxed at the rate of 1 to 2½ silver rubles the pud (3 thalers 9 silvergroschen up to 8 thalers 7 silvergroschen the centner). Reduction of these high rates would be desirable. It is useless, for instance, to charge 2 silver rubles on argal, as Russia is wanting in the raw materials of the same—grape-husks and stalks—but requires them in its cotton, woollen, and silk manufactures. The duty amounts to 12 per cent. on the value.—(Berlin.)

No. 155. Colours and dye stuffs which in this list are not specially mentioned, 1 silver ruble per pud. Paints (Schweinfurt), bronze colours (Munich and Fürth), and the chemicals under the head of colours, lacquer, carmine, aniline (Stuttgardt), appear to belong to this class, and are worthy of being recommended to attention.—(Schweinfurt, Fürth, Stuttgardt.)

No. 157. Indigo. The high duty is attributed to the circumstance that the Russian merchants order the troublesome repacking of this valuable commodity into casks, whereas it would be much better protected in the original cases.—(Frankfort-on-the-Maine.)

No. 158. Madder ground at 50 copecks the pud (1 thaler 19 silvergroschen the centner). This article should be charged at the utmost with one-half of the present duty.—(Breslau.)

No. 159. Varnishes, various, with oil and spirit, 6 silver rubles the pud (19 thalers 23 silvergroschen per centner). This duty demands considerable reduction.—(Offenbach.)

Nos. 164-65. Whalebone, raw, uncleaned, 2 rubles the pud (6 thalers 18 silvergroschen the centner); cleaned or boiled, in sticks, 4 rubles. These rates of duty should be reduced to one-half. —(Berlin.)

No. 170. Skins, worked. The present rates of duty are very high, and a reduction to a third would be desirable. Russia urgently requires the varnished leathers, which, even with the high duty of 10 rubles, St. Petersburg, Moscow, and Odessa supply themselves with. Skins are sent every year to the Zollverein to be varnished, and then return to Russia. A considerable reduction of the duty would be to the interest of Russia.—(Malmedy, Insterburg, Frankfort-on-the- Maine, Worms.)

174. Flax, hemp, and tow yarns woven, likewise weaving and sewing thread (3 rubles the pud), (9 thalers 27 silver-groschen the centner.) Reduction to one-half appears desirable.—(Breslau.)

No. 175. Lead in pigs, rolls, leaves, and tubes, 5 copecks per pud (5 silvergroschen per centner); "and wire drawn" should be added.—(Berlin.)

No. 181. Steel of every kind, not worked up, 75 copecks the pud (2 thalers the centner). A reduction appears desirable.—(Lennep.)

No. 183. Zinc, in pieces and cast plates, 30 copecks the pud; zinc, in rolled tin plates, 50 copecks the pud. These duties should be lowered.—(Berlin.)

No. 184. Oils, vegetable, &c. To be added: oil obtained from the pine, fir-tree, and pine needles. A considerable reduction in duty might be made, and particularly as regards rape oil, which should be reduced to 40 copecks the pud.—(Berlin, Breslau.)

No. 191. Tallow of every kind, train-oil, fish-oil, and whale-blubber, 30 copecks the pud. Bone grease, hoof grease, prepared for oiling machinery, should be added.—(Berlin.)

No. 194. Ink, &c. These articles of the Tariff might be supplemented by the following enumeration:—Ink, for writing, ditto indelible, for marking linen, ink powder, stamping ink, printing ink and colour, blacking, cake and liquid, putty for windows, iron, glass, and porcelain cement, liquid glue, and dissolved gum arabic, in whatever vessels imported, 1 ruble the pud gross.—(Berlin.)

No. 197. Woollen yarn. A reduction of the duty to one-half is earnestly to be recommended, as the country produces the raw article. Cheaper woollen yarn would be very acceptable to the Russian cloth manufacturers, particularly those of mixed woollen fabrics; for inferior woollen yarns the present duty is quite prohibitive.—(Breslau, Altenburg, Hameln, Eupen, Kaiserslauten, Worms.)

Fourth Section.—Manufactures.

Nos. 198, 199, 292, 293. Paragraphs 198 and 199, subject alabaster made into vases, bas-

reliefs, statues, and so forth, to a duty of 2 rubles the pud (6 thalers 18 silvergroschen the centner), with ornamentation of bronze and other materials, with the exception of the articles denominated "valuable," a duty of 3 rubles the pud (9 thalers 27 silvergroschen the centner). Quite analogous are the Paragraphs 292 and 293, worked marble, porphyry, granite, serpentine, 1 ruble the pud (3 thalers 9 silvergroschen the centner), when without ornamentation; 2 rubles if with ornamentation. Articles of these materials pay as ordinary small-wares (No. 285), when weighing less than 3 lbs. (39 thalers 16 silvergroschen the centner), and as valuable small-wares (284), 1 ruble the lb. (131 thalers 25 silvergroschen the centner.) From the experience gained it is proposed to place them together, and to classify them in the following manner:—Alabaster, marble, porphyry, granite, serpentine, stone, slate, and other similar stones, worked.

(*a.*) Building stones, such as friezes, cornices, capitals, columns, stair steps, and such like, 50 copecks the pud.

(*b.*) All other articles, such as statues, vases, tables, table-slabs, and small articles of necessity and luxury, such as letter weights, saucers, writing materials, candlesticks, small vases, and the like, without distinction of their weight, and with or without incrustations, 1 ruble and 25 copecks the pud.

(*c.*) All these articles, in connection with other substances, as brass, pinchbeck, bronze, iron, steel, wood, horn, bone, looking-glasses, paper, gilding, silvering, velvet, "Manchester," and so forth, without reference to their combinations, 2 ruble 50 copecks.—(Berlin.)

No. 201. Artificial flowers, with the weight of the baskets, 6 rubles per lb. This duty should be reduced, and unfinished flowers, cut or in other ways, prepared portions of flowers, such as blossoms, leaves, buds, stems, should be admitted at 50 copecks per lb.—(Berlin, Memel.)

No. 203, 204. Carriages are subjected to a high rate, 50 to 100 rubles each, which should be reduced to one-half. This class should be described in the following manner:—Carriages upon springs of all kinds, excepting drojkies, 50 rubles each; the same upon two wheels and four-wheeled drojkies, 25 rubles each. All kinds of four-wheeled and two-wheeled carriages, without springs, 10 rubles each. Children's carriages, and such like vehicles, whether with or without springs or with or without saddlers' work, 2 rubles each. For separate portions of carriages (No. 244), the duty should be reduced from 4 rubles to 3 rubles the pud.—(Berlin, Breslau, Offenbach.)

No. 206–211. Delf-ware and porcelain. The present duties are too high, and their classification is incorrect. Delf having several colours is taxed much too high in comparison with the plain. The following classification is suggested:—Earthenware manufactures, utensils, and every other, glazed or not glazed, white or coloured, with coloured or gilt or silvered edges, borders, stripes, crests, or initials, and all printed earthenware, 1 ruble the pud (by land and sea). The same with painting, or with any other gilt or silvered ornamentations, 3 rubles the pud.

The following classification, under a reduced duty upon porcelain, is also suggested:—Porcelain-manufactures, utensils, and every other glazed or not glazed, white or coloured, with coloured or gilt or silvered edges, borders, stripes, crests, or initials, and every kind of printed porcelain, 3 rubles the pud.

The same with paintings, or with other than the enumerated gilt or silver ornamentations, 7 rubles the pud The Paragraphs 210 and 211, porcelain articles for ornaments and not utensils, would then be omitted.—(Breslau, Waldenburg, Sorau, Berlin.)

Woven Textures of all kinds.

Nos. 213-217. Cotton textures. (Vide Table in Memorandum.) The present duties appear much too high to permit of a regular trade.

The following reductions should be made:—

No. 213. Thick cotton textures, from 35 to 12 copecks.

No. 214. Printed heavy textures, and Clause 215 (light textures), from 65 copecks and 1 ruble respectively, down to 24 copecks.

No. 216. Printed light textures, from 1 ruble 40 copecks down to 45 copecks. Lastly,

No. 217. To be reduced from 2 rubles to 65 copecks the lb.

It is neessary to add in respect to No. 217 that, under the denomination "coupons de robes" (cut fabrics for ladies clothing), only actually cut stuffs are to be understood; and that so-called "robes à disposition" (ready-made clothing) should come under Nos. 213-215, according to the quality of the material.—(Berlin, Breslau, Reichenbach, Waldenburg, Freiberg, Ravensburg, Lüneburg, Stuttgardt, Gladbach.)

Nos. 218-225. Linen fabrics. Business in inferior linen and half-linen fabrics (No. 218) at an *ad valorem* duty of 25 and 23 per cent. respectively, as also in twill tickings (10 copecks the lb., under No. 220) is carried on to a considerable extent. On the other hand, table cloths, napkins (No. 221, at 65 copecks per lb.), and linen sacks (No. 224, at 3 and 2 rubles 40 copecks respectively the 100), are taxed much too high. This duty considerably exceeds 23 per cent. of the value. The high duties, upon the finer linens especially, offer too great a premium upon smuggling, that a reduction should not be advantageous.

It is to be recommended that an *ad valorem* duty upon all linen manufactures should be levied, and to fix the same at 10 or, at most, at 15 per cent.—(Breslau, Landeshut, Cottbus, Sorau, Reichenbach, Schweidnitz, Hirschberg, Grossglogau, Frankfort-on-the-Maine, Kaiserslautern, Stuttgard, Gladbach).

The duty enumerated in No. 223 upon linen stockings, gloves, nightcaps, underclothing, &c., 50 and 45 copecks the lb. is also too high, and should be reduced to 35 copecks at least.—(Berlin.)

No. 222 deserves particular notice: oilcloth, linen, hempen or cotton, by sea 15 copecks,

by land 10 copecks the lb. This duty amounts upon the wax cloths and foot-cloths most in request to 40 per cent. and more upon the value, and falls heavily on thin wax cloth. A reduction of the duty to 2 rubles the pud would still be equal to 15 per cent. *ad valorem*. Another proposition is to reduce the duty to 2 copecks the lb.—(Berlin.)

Nos. 226-231. Silk fabrics. The Russian duties upon silk fabrics are the highest that exist in any country, and a reduction is urgently required if a legal trade in this article is to be developed.—(Breslau, Crefeld, Frankfort-on-the-Maine, Berlin, Gladbach.)

The following suggestions have been made :—

Silk fabrics, not transparent (No. 226), including velvets, the last wholly as well as partly of silk, to be reduced from 4 silver rubles to 1 silver ruble the lb. Non-transparent silk and velvet ribbons from 2 silver rubles to 50 copecks the lb. Light transparent silk fabrics from 7 rubles to 1 ruble 75 copecks the lb. Half-silk fabrics, with the exception of the above-named velvet, from 2 silver rubles to 50 copecks the lb.

The high duty of 2 silver rubles which weighs upon silk ribbons induces the Russian merchants to require their German correspondents to take out the winding-reels, which are so necessary for the preservation of the goods, in order to reduce the weight, and the manufactures are thereby subjected to injurious manipulation.

The duty under No. 229 upon silk stockings, nightcaps, gloves, and underclothing, silk lace, fringes, laces, tassels, and so forth, of 2 silver rubles the lb. is too high, particularly considering the frequent admixture of worthless substances (cotton, wool, wood, &c.), and ought to be, according to the above proportion, reduced to 50 copecks the lb.

Nos. 232-240. Woollen textures bear altogether so high a duty that a regular trade can only be carried on in exceptional cases. The Tariff distinguishes between milled and unmilled stuffs. As far as the milled cloths are concerned, cloth, half cloth, ladies' cloth, beaver, vicuna, kerseymere, are subject to a duty of 1 ruble 40 copecks the lb.; woollen trouserings to 1 ruble; flannel, plush, frieze, 70 copecks; carpets 45 copecks by sea, and 40 copecks by land.

The exportation of Prussian cloths, which was formerly so important, has fallen under such duties to a minimum, the duty being often equal to the value of the article, and all the Chambers of Commerce are agreed that a reduction of the above duties to one-half would be only sufficient to render trade possible.—(Berlin, Breslau, Cottbus, Freiberg, Lennep, Gera, Altenburg, Eupen, Grossglogau, Sorau, Stuttgardt, Gladbach.)

In order to procure an entrance into Russia of our carpets, the duty should be reduced to 10 copecks the lb.; besides that, however, there should be a separate clause for ordinary foot-carpets made of calves hair and tow, with a duty of 1 copeck the lb. Carpets sewn together, with borders and fringes, should not be subjected to a higher duty than such as are woven in one piece.

As regards the unmilled stuffs, the duty on thick fabrics of combing wool (under the term thick are understood those of which not more than 5 square arshins* go to the lb.) is 60 copecks the lb. by sea, and 50 copecks by land. The same stuffs printed and embroidered pay 80 and 70 copecks the lb. respectively. Light fabrics of combing wool, as, for instance, merino, mousseline de laine, barèges, and such like, pay 1 silver ruble 20 copecks the lb., printed 1 silver ruble 60 copecks. The duties, on light fabrics are those which the greater part of our German combing wool manufacturers suffer from, while the more reasonable duty of 60 copecks is particularly advantageous to English manufactures, a greater quantity of which will go to a certain weight, being of stronger wool. The boards and pasteboard upon which the pieces are wound for their better preservation, and the paper in which they are wrapped, are likewise weighed, and charged with the high duty. There should be a fixed tare, and the duty of 60 copecks should be extended to the lighter textures.

A thorough re-arrangement and reduction of all rates for woollen fabrics is still more desirable. On the removal of sub-divisions, so difficult of distinction, there should be two categories : printed (in respect to embroidered) and plain fabrics. For the plain (Nos. 232, 233, 234, 237, 239) a duty of 30 to 40 copecks the pound (the duty of 40 copecks for instance on merino, mousseline de laine, and barèges) would correspond with the value of the goods. For the printed woollen fabrics (Nos. 238, 240) with which the cloths and shawls and similar fabrics (No. 242) should be assimilated, an increase of the duty fixed for plain woollens in the proportion of 5 to 7, would be a suitable rate. The duty on carpets (No. 236), as already mentioned, should be reduced.

The duty upon cloth of peculiar make, and coarse woollen fabrics for oil-mills, and other factories (235) should be, at the least, reduced to one-half. (It amounts now to 15 and 10 copecks the pound, respectively.)

Stockings, night-caps, waistcoats, under-clothing, ties, laces, fringes of wool or mixed, bear a duty now of 55 and 50 copecks the pound respectively. Woollen gloves should be here introduced, and the duty reduced to one-half.

No. 246. Lace and tulle, of cotton, flax, hemp, silk and wool, collars, capes, cloths, cuffs, sleeves, and other manufactures of the kind of tulle, and lace, or ornamented with the same, pay the high duty of 4 rubles the pound (527 thalers 8 silvergroschen the centner). According to this, a manufacture originally subject to a low duty can, in consequence of a slight ornament, be rated under a very high one. The rate should be abolished, and those articles now subject to it should be placed, according to their materials, the manner in which they are made, and their value, in the category nearest to them, with an addition to the duties levied on the fabrics of such class.—(Breslau, Memel.)

No. 254. Articles of clothing, and made-up linen of all kinds, pay a duty of 35 per cent, *ad valorem*. A reduction to half, or at least to 20 per cent. on the value, is very desirable.—(Berlin, Breslau.)

Nos. 255,256. Glass and crystal manufactures, window-glass, unpolished and ordinary glass utensils,

* An arshin is equal to 71·12 centimètres, therefore somewhat larger than the Prussian ell, which is equal to 66·69 centimètres.

without other ornaments, are subject to a duty of 1 ruble by land, and of 2 rubles per pud by sea; window-glass, polished: further, watch-glasses, coloured glass, and crystal manufactures, with gilding or painting, with bronze ornaments, pay a duty of 10 rubles by sea, and of 9 rubles the pud by land. The latter duty is so high that it deters Russian merchants from giving any orders. Nevertheless, the prohibitive duty has not created any manufacture in Russia worthy of the name; such could only be expected after the admission of competition, which might be possible were the Tariff reduced to one-half. But the duty upon window-glass and ordinary glass-ware is too high; in any case it should not be higher than 1 ruble per pud by sea. Class No. 255 should be altered as follows:—

(*a.*) Window-glass unground, white and coloured, and all glass manufactures not otherwise enumerated, common smooth concave glass, cast and pressed glass, white or of one colour, including opaque glass; also raw, that is unpolished, and unground looking-glass, without distinction of size, 1 rouble the pud (the same by sea).

(*b.*) Window-glass, unground, but with patterns put on with the stencilplate, with colours laid on, or with patterns etched by chemical process, known under the name of jalousie-glass, likewise all unground smooth concave glass, cast and pressed glass, of different colours, and ornamented, painted, gilt, silver-gilt window-glass, and all kinds of lamp-glasses clouded only, but not further ground, as globes, shades, and so forth, 2 rubles the pud (the same by sea).

Note.—Partly ground glass, as rasped stoppers, are not excluded from the foregoing class:—

Class 256 should be: all ground-glass, and crystal manufactures, painted, gilt, or silver-gilt, with or without ornaments of bronze, &c., including chandeliers, and all kinds of watch-glasses, 5 rubles per pud. (Berlin, Frankfort-on-the-Maine, Breslau.)

No. 258. Looking-glass and plate-glass pay a higher duty according to their surface. With a surface of 100-200 square vershoks (the vershok is equal to 4·44 centimètres), 1 ruble and 50 copecks the piece, and so forth. Here, also, a reduction is desirable.

No. 260-62. Gum elastic and gutta-percha manufactured. A revision of these items is desirable. In the first place, all those articles contained in Class 260, which are rated at 3 rubles per pud (9 thalers 27 silvergroschen the centner) which are intended for purely technical purposes, and used in manufactories of machinery, and such like articles—as plates, bands, rings and cylinders, tubes, hose, caps, covers, funnels, saucers, pails, should be excepted, and at the most be subjected to a duty of 1 ruble the pud. Shoes made of india-rubber or gutta-percha (No. 261), which now pay a duty of 40 copecks the pound (52 thalers 22 silvergroschen the centner), should be reduced to 4 rubles the pud, a duty under which the Russian manufactories would be well able to exist. Finally, Class No. 262 (manufactures of every kind of gum elastic or gutta-percha, in connection with silk, wool, flax, hemp or cotton, braces, and garters of all kinds), should be reduced from 70 to 35 copecks the pound.

No. 264. Hair, horsehair, and bristles, worked. In this section only the ordinary manufactures of bristles fixed in ordinary wood, &c., veneered, are enumerated, and rated with a duty of 2 rubles the pud (6 thalers 18 silvergroschen the centner). On the other hand, all the better kinds of bristle manufactures are placed under the heading of small wares, according to which they pay 30 copecks the pound (39 thalers 16 silvergroschen the centner); and some of them, as being valuable small wares, 1 ruble the pound (131 thalers 25 silvergroschen the centner).

It might be preferable to classify these better kind of bristle manufactures as follows:—

Better kinds of bristle manufactures, in conjunction with polished or veneered wood, as, for example, hair, clothes, comb, and other brushes, shaving-brushes, and the like, likewise all kinds of dusting-brushes of horsehair, or of feathers, 4 rubles the pud.

Similar bristle manufactures, and tooth and nail-brushes, set in horn or bone, 6 rubles the pud.

The same, in valuable settings, *i.e.*, of ivory, tortoiseshell, and such like, 1 ruble the pound.—(Berlin, Altenburg, Ravensburg, Fürth.)

Nos. 266-269. Wood manufactures. From the weight of joiners' and turners' work the duties are still considerable, and require reduction. Besides this, the different articles require supplementing and re-arranging, for several articles belonging to this category are referred to that of "small wares" (fancy goods), and are placed under abnormal duties.—(Berlin, Breslau, Stuttgardt.)

The arrangement should be as follows, conditional upon a reduction of the duties:—

(*a.*) Joiners' and turners' work, of wood, unveneered, not varnished, neither gilt nor silver-gilt; wooden presses for bookbinders; wooden rollers covered with leather for printing; wooden bird-cages of every kind; wooden parquet flooring; wooden travelling-trunks, covered or not covered with leather, saddletrees, 20 copecks the pud (the same by sea).

(*b.*) Joiners', turners', sculptors', and carvers' work, polished, varnished, gilt, or silver-gilt, wooden, likewise imitation of the foregoing out of felt, picked tow fibres, papier maché, pasteboard, without incrustations, and without bronze ornaments; wooden veneer with incrustations; ordinary varnished basket work, also gilt and silver-gilt, of wooden twigs, small sticks, and the like, as baskets, basket furniture, and so forth, 1 ruble the pud.

(*c.*) Wooden, wall, bracket, and centre chandeliers, gilt or silver-gilt; likewise such out of felt, picked tow fibres, papier maché and pasteboard, looking-glass and picture-frames of all kinds, including wooden covered with thin brass or copper sheathings, "Manchester," velvet, or any kind of stuff leather and the like, with or without metal edges, or similar ornaments, with or without pictures, glazed or not glazed, but without looking-glasses; further, half-finished walking-sticks with bent handles, instead of separate handles, out of oak, thorn, hazel, nutwood, hawthorn wood, and all kinds of reeds or canes, 3 rubles the pud.

(*d.*) Joiners', turners', sculptors', and carvers' work, of wood and of felt, tow fibre, papier maché and pasteboard, with essential ornaments of bronze and other valuable materials, likewise with many incrustations, or inlaid work, of wood, copper, steel, mother-of-pearl, ivory, tortoiseshell, and the like, 5 rubles the pud.

Note 1. Brass-work on furniture, rings, key-plates, feet, rollers, and so forth, in fact, such as do not materially raise the value of the article, are not to be regarded as bronze ornaments; in like manner simple wooden or metal lines are not to be considered incrustations.

Note 2. Bolstered or stuffed furniture, covered with stuff or leather, according to their ornamentation, answering to those enumerated under (*b*), pay 25 per cent. higher duty than unstuffed, uncovered, therefore 1 ruble 25 copecks the pud; on the other hand, upon that stuffed and covered furniture coming under (*d*), no higher duty than 5 rubles the pud is levied.

No. 270. Hats of felt, half-felt, silk, leather, varnished, 80 copecks the piece; might be reduced to 40 copecks a-piece. Hats of wood shavings, bark, of pressed pasteboard, in imitation of Italian straw, of palm fibre, 1 ruble 20 copecks the pound; should be reduced to 75 copecks. Likewise straw hats not quite finished, 3 rubles the pound to 2 rubles.—(Berlin, Offenbach-on-the-Maine, Altenburg.)

Nos. 271–278. Musical instruments. These clauses require re-arranging, and a reduction of the duties. The following is recommended:—

(*a.*) Violins and violas, small, and all kinds of flutes, Pan's pipes, clarionets, hunting and post-horns, trumpets, 15 copecks the piece.

(*b.*) Musical boxes and similar musical instruments, also hand organs, not above 4 vershoks long, 25 copecks the piece.

(*c.*) Small chamber organs and hand organs, not above 12 vershoks long, musical works in boxes above 4 vershoks in length, small pianos, without pedals, for the self-instruction of children (so-called pianino pædoterpe), wooden rollers, and cylinders for chamber and hand-organs, tambourines, 50 copecks the piece.

(*d.*) Concert and old sax-horns, bassoons, cornets, trumpets, and all larger wind instruments, as ophecleides, oboes, and so forth; bell-trees, bell-chimes, drums, likewise old violins, bass viols, guitars, psalters, mandolins, zithers, 1 ruble the piece.

(*e.*) Bass viols and violoncellos, 2 rubles the piece.

(*f.*) Hand-organs, above 12 vershoks in length, 5 rubles a-piece; the same for a pair of kettle-drums.

(*g.*) Harps, harmoniums, orchestrions, ordinary organs, and large chamber-organs, 10 rubles a-piece.

(*h.*) Pianos, grand pianofortes, pianettes, and such like, pantaleons, and church organs, 25 rubles each.

(*i.*) All others not particularly enumerated; and such instruments as cannot be classed in the foregoing categories, as Æolian harps, cymbals, triangles, castanets, mouth and hand harmonicons (accordions), all children's instruments; likewise appurtenances of musical instruments, as fiddle-bridges, mufflers, string holders, pegs, screws, buttons, necks, frogs, and such like for stringed instruments; mouthpieces, pipes, and the like, for wind instruments; tuning-forks and pipes, rostrals, tuning hammers, metronomes, &c., 15 copecks the pound.

Besides the general remarks that follow No. 278, the following are to be added: Parts for making pianofortes are not ranged under division (*i*) of this clause, but placed in the class of those to which their component parts belong.

No. 279. Mathematical and physical instruments. This class should be completed and the duty reduced. Instruments and apparatus for photographic, panotype, and daguerreotype processes, and their appurtenances, should be added; also engravers' work, as seals, stamps; lighting machines and platina fire apparatus, platina fumigating machines of every kind, stereoscopes. The duty should be reduced from 6 to 4 rubles the pud. The woodwork of photographic apparatus when imported without the top, as only the cameras, likewise the stand, copying frames, ought not to rated with these articles but with "Woodwork."—(Berlin.)

No. 281. Corals, real, worked, *i.e.*, bored and strung upon thread, the pound, 2 rubles 70 copecks (355 thalers 27 silvergroschen). Should be placed under "Small wares" (fancy goods.)—(Berlin.)

No. 283. Cosmetics and perfumery goods. Perfumed oil, perfumed water, with the exception of the articles enumerated in No. 350; paint (rouge), hairpowder, pomade, incense; 1 ruble the pound.

No. 350. Perfumed water, eau-de-Cologne, Alpine, Hungarian, balm-water, in ordinary glasses and vessels, 4 rubles the pud gross; in cut glass, however, according to clause 383, 1 ruble the pound.

It would be better to do away entirely with Clause 350, and to re-arrange Clause 283 in the following manner:—

(*a.*) All kinds of perfumed oils, vinegars, essences, extracts, waters, excepting those named in the enumeration of apothecary wares, pomades, creams, powders, almond paste, almond bran, rouges, fumigating essences, fumigating powder, fumigating paper, wax tapers, and resin, rum, arrack, cognac, wine, and liquor essences, in packages and vessels not intended for retail trade, or in unground glasses, common crockery, china, tin, tin-plate boxes, pasteboard and wooden boxes, paper packets; all these packages, with or without labels, 4 rubles the pud gross.

(*b.*) All the above in ground, or gilt, or silver-gilt glasses, painted, or gilt, or silver-gilt crockery (delf) or porcelain vessels, with glass or cork stoppers, crockery or china covers, likewise sachets of silk stuff, 50 copecks the pound.

(*c.*) All the above in very fine vessels and glasses, with silver-gilt, gilt, metal, or ivory and similar stoppers, 1 ruble the pound.

If it were possible to obtain a further reduction, all the better. We may have a considerable trade in these articles with Russia.—(Berlin, Offenbach, Frankfort-on-the-Maine, Insterburg.)

Nos. 284, 285. Small wares or fancy goods. Both these classes, of which the first comprises the valuable and the other ordinary fancy goods, in which, to some extent, a considerable trade has arisen with Russia, require complete rearrangement, as their classification is very loose. From the

experience gained in the trade with Russia in these goods, the following completely rearranged enumeration is proposed.—(Berlin, Frankfort-on-the-Maine, Offenbach, Stuttgardt.)

No. 284. Fancy goods, valuable, as below are enumerated, 1 ruble the pound.

(*a.*) All manufactures excepting buttons (compare No. 285) altogether or almost wholly of ivory, mother-of-pearl, tortoiseshell, enamel, amber, coral, aluminium, and similar valuable materials. Here belong also opera-glasses, spectacles, eye-glasses, fine brushes, and shaving brushes, set in the before-mentioned valuable materials.

(*b.*) All manufactures, with the exception of buttons of the forenamed materials, with ornaments of gilt, bronze, porcelain and the like, also with ornaments of valueless substances, so far as these are only subordinate.

(*c.*) Manufactures, including buttons, of every material, also of cut false stones, as agates, garnets, rock crystal, lapis lazuli, malachite, jet, and imitations of these, as well as of real stones, with ornaments and settings of gold, silver, or platina.

(*d.*) Ornaments, as bracelets, brooches, ear-rings, chains, watch-keys, and the like, excepting buttons, gold and silver plated, combined or not with valueless or real imitation stones, and the like; likewise similar ornaments of gold and silver, even if not solid but filled up with cement or valueless stuff, which does not permit the weight of pure metal being ascertained; gold and silver watch-keys, crayon holders, and pen holders, of which also the worthless metal inside prevents the calculation of the weight of the gold and silver.

(*e.*) Gold and silver spectacles and eye-glass frames, and finished spectacles and eye-glasses.

(*f.*) Fans of all kinds (No. 205, according to which they have to pay 25 per cent. on the value, would then be omitted.)

(*g.*) Feathers for ornaments, ostrich and "Marabout" feathers; stuffed birds of paradise and their feathers; feathers for plumes; plumage of every kind for ladies' and gentlemen's hats and bonnets, uncoloured and coloured, with the weight of the boxes in which they are imported. (No. 212, according to which they must pay 2 rubles the pound, would then be omitted).

(*h.*) Silk purses and ladies' purses, with or without embroidery and ornaments of any kind.

Note.—The articles enumerated in the Tariff hitherto existing, clause No. 284, under *g*, as "all kinds of articles with requisites for the toilet, needlework, likewise all kinds of portfolios, albums, pocket-books, cigar-cases, portemonnaies, purses, tobacco-pouches," are only to be classed under this clause when they chiefly belong to it, according to their materials.

No. 285. Ordinary fancy goods. These now pay 8 rubles the pud (26 thalers 11 silvergroschen the centner), which is only an unimportant reduction from the former duty to 30 copecks the pound.

(*a.*) All turnery, carving, comb manufactures, and other work of horn, bones (including walrus and mammoth bones), whale-bone, cocoa-nut, stone-nut, and other nuts, violet root, jet and other similar materials, combined or not with iron, steel, brass (rough, varnished, silver-gilt, or gilt), pinchbeck, copper, tin, melchior, german-silver, and other white metals.

(*b.*) All fashionable fancy goods and ornaments of steel (except such as are substantially connected with the valuable materials enumerated under No. 284 *a*, and in so far as they are not already enumerated in other classes of the Tariff), as brooches, breast pins, small buckles, ladies' ornaments, &c.

Note.—All other buckles are to be classed according to their materials.

(*c.*) All fancy goods made of imitations of the valuable materials in No. 284 *a*, combined or not with those articles mentioned in *a* of this clause.

(*d.*) Straw, twigs, and other fine basket work (excepting those specially named), viz., work, ladies' and other necessaries; baskets of fine, smoothed, or coloured twigs, after the manner of the Japanese and Chinese; also painted, gilt, or silver-gilt, with artificial flowers of stuff, wax, papier maché, cardboard and the like, trimmed or not trimmed, lined or not lined.

(*e.*) All articles of glass beads and bugles (Rassade), glass and metal beads, as small baskets, stands, ladies' work-bags, bell-ropes, embroidery (upon whatever material) altogether of glass or metal beads, ornaments (bracelets, necklaces, breast pins, and so forth) of black, coloured, or other glass however ornamented, all kinds of bugles.

(*f.*) Polished counterfeit stones, and polished imitations of real stones, not set or in combination with other metals, as gold, silver, and platinum.

(*g.*) Ornamental articles of counterfeit metal, gilt, silver-gilt, varnished or not, excepting the really gold and silver-plated articles enumerated in the previous clause, as bracelets, brooches, earrings, necklace snaps, watch chains, and the like; likewise all small ornamental and useful articles of metal, as purse tassels and rings, key rings and the like, wholly metallic or ornamented with counterfeit stones and beads, and imitations of the real.

(*h.*) All kinds of buttons, excepting those of gold, silver, platinum, ordinary brass, lacquered and unlacquered zinc, tin and lead, which are to be classified according to their metals.

(*i.*) Fine pin articles which might be, of their kind, classified under other clauses, as for example, gilt and silver-gilt pins with protected points (safety pins), and the like.

(*k.*) All counterfeit, gilt, and silver-gilt lace work, as tassels, borders, lace, ribbons, spangles, and the like.

(*l.*) Opera glasses, spectacles, and eye glasses, and frameworks without glasses, in all other settings than in those mentioned in clause 284 *a*.

(*m.*) Fishing-hooks and different parts belonging to the same, as fish-hooks and artificial flies, and the like.

(*n.*) All kinds of pens of metal, with the weight of the cards and boxes in which they are imported (those of gold, silver, and platinum excepted). Common quills with coloured, painted, or otherwise ornamented feather points, also cut pens in boxes.

(*o.*) All kinds of lead, red, and chalk pencils in wood, paper, reed, or without such combinations,

in pasteboard boxes, and so forth, only containing pencils or other drawing materials. (On the othe hand natural chalk in pieces and sticks, free according to clause No. 44).

(*p.*) Lead pencils and pen holders of all kinds, excepting those of gold and silver, enumerated in clause No. 284 *d.*

All kinds of finished walking sticks, excepting those enumerated in No. 267; likewise all kinds of finished pipe sticks, and complete tobacco and cigar pipes, excepting those belonging, according to their chief materials, to No. 284.

Note.—Unimportant portions of valuable materials, as, for example, amber and ivory mouthpieces to cigar and tobacco pipes, aylets, buttons, rings out of the same, on pipes and sticks, are not excluded from the enumeration of these articles.

General Remarks.—To this clause should be added all similar articles that are not included in other clauses of the Tariff, and those consisting of indivisible combinations, entirely or in part, of valueless materials, every one of which would demand being placed under another class, for instance, strops of leather upon wood or metal frames with different handles, cases, often in combination with hones. Inkstands of pewter or other materials with glass inside, leather covers, metal ornaments, india-rubber covers, and the like. Small match-boxes, equally covered with leather or calico. Perpetual almanacks, consisting partly of wood, metal, glass, paper, &c. Pen-wipers, consisting of cloth, &c., with ornaments of metal, porcelain, and the like. Slates of opaque glass and porcelain with frames of wood, leather, and the like. See toys under section 337.—(Berlin, Lüdenscheid, Offenbach.)

Manufactures of Leather.

Nos. 286–290. Boot and shoe work of every kind excepting the shoework of gum elastic (see Clause 261), and ladies' silken shoework (see following No.), is subjected to a duty of 50 copecks per lb. This duty is so high as to exclude any regular exportations. Reduction to at least one-half should be aimed at. There should be particularly mentioned besides, as subjected to the same duty, ladies' shoes and boots of woollen stuff, with soles of leather or India-rubber.

Felt-boots and shoes, without soles, or with soles of felt or cloth, likewise felt socks and felt stockings, could be subjected to a duty of about 5 copecks the pound. Felt boots and shoes, with India-rubber or leather soles, and leather borders, to a duty of 10 copecks the pound. For slipper-work (of which, for instance, great quantities are made in Rhenish Bavaria), a lower duty than for shoework should, in every case, be striven for.—(Berlin, Worms, Mayence, Frankfort-on-the-Maine.)

No. 287. Silken ladies' shoework now bears a duty of 1 ruble the pound, and should be likewise reduced to the half.—(Berlin.)

No. 289. Gloves, kid or chamois leather, bear a duty of 2 rubles the pound, which should a the least be reduced one-half,—(Frankfort-on-the-Maine, Altenburg.)

No. 290. Harness of all kinds, saddles, saddlery, portmanteaus, hunting appurtenances, bear a duty of 40 copecks the pound. This class should not only be reduced to 25 copecks the pound, but should also be extended, so that the various kinds of leather-work should be included.

The following enumeration is here proposed:—Harness and saddlery of every kind, with or without buckles, bits, snaffle-bridles, stirrups, and the like. In general all saddle, harness and trunk-makers' work, of leather or stuff, or in combination with either, with or without metal fittings, as travelling bags of all kinds, shooting gear, as game and cartridge bags, shot and powder-belts, likewise all fancy leather goods and bookbinding, as leather portfolios, pocket and memorandum books with portfolios, pocket and memorandum books with an arrangement similar to portfolios (pocket, memorandum, and such like books, without portfolio arrangement, No. 326), cigar cases, portemonnaies, purses, ladies' workboxes, baskets, travelling and other "nécessaires." Further, leather cut for gloves, and all leather hat and cap furniture, lining, bottoms, stormstrings, shades, and the like, 25 copecks the pound. Travelling-boxes, hat-cases, and the like rough and heavy saddlery, wholly of leather, or in combination with pasteboard stuff-lining and ornaments, 4 rubles the pud.

Note.—The existing practice of rating fancy leather articles should be abolished, and steel and other metal frames, stirrups, locks and ornaments, likewise fittings for "nécessaires," ladies' bags and boxes, of wood, steel, iron, brass, gilt, or silver gilt, tin, bones, horn, glass, porcelain, &c., in themselves unimportant combinations with valuable materials, when it is apparent that they are only subordinate, should not be excluded from the enumeration of this clause. Accordingly cigar cases, portemonnaies, and the like, should only be rated under Classes 284 and 285 (fancy goods), when they are entirely covered with ivory, horn, tortoiseshell, enamel, &c.—(Berlin, Frankfort-on-the-Maine, Offenbach, Stuttgardt, Munich, and Fürth.)

Nos. 292, 293. Worked marble, porphyry, &c., is classed together with "alabaster, &c.," Class 198, where the proposals relating thereto are made.

Metal Manufactures.

The enumeration of metal wares is very faulty, and requires a complete re-arrangement. This is here attempted.

Nos. 296–301. *Manufactures of Gold, Silver, and Ptatinum.*

Gold manufactures pay 30 silver rubles per pound, silver and silver gilt manufactures, 2 rubles, platinum manufactures, 15 rubles. Precious stones, brilliants, and real pearls, set in gold, silver or platinum, 2 per cent. *ad valorem.* If the amount of the duties is not to be attacked, still there are two circumstances which have for some time interfered with the once satisfactory sale of German gold wares in Russia. (The articles made at Pforzheim in particular.)

By a regulation of the year 1861 articles of gold, like those in use in Germany, must, on being

assayed, contain 14 carats (= 56 zolotniks). In Germany, gold which is to be worked-up is generally 13½ carats fine; with the hard solder melted in, the finished articles, however, contain only 13 carats (= 52 zolotniks).

The merchants of Pforzheim, Berlin, Leipzig, &c., have therefore not been able to sell anything in Russia. Besides this, Clause 86 of the regulation mentions "at the same time it is strictly forbidden to fill hollow articles with anything to increase their weight." It is well known, however, that the lighter, cheaper articles of gold, which are principally exported, are filled up with a kind of putty, with sealing-wax, and the like, for the purpose of polishing and engraving, and also to give them greater strength for wear; massive gold chains are sold according to weight, while hollow ones are sold by their outward appearance. It is also desirable that an inferior fineness of gold of 12 to 13 carats, and silver of at least 11 loths, should be admitted. The following should be added to Classes 296-299:—

1. In the foregoing enumerations only those gold, platinum, and silver manufactures are to be included which are wholly made of those metals, so that their value may be arrived at by their weight; on the other hand, all manufactures only partly of gold, or silver, &c., as (according to our proposals), enumerated under No. 284 *c*, *d*, *e*, belong to the class "valuable fancy goods."

2. The latter manufactures, partly of real metal, likewise spectacles and eye-glass frames, named under No. 284, and also finished spectacles and eye-glasses, may be of any fineness, and need not be stamped. Manufactures entirely of precious metals, on the other hand, must be assayed and stamped. —(Pforzheim, Stuttgardt, Berlin.)

No. 300. Lacework of real and counterfeit gold and silver wire, and spun gold and silver, is subject to a duty of 5 rubles the pound, a duty which only appears proper for lacework of real gold. Lacework of counterfeit gold and silver we have recommended to be placed under "ordinary fancy goods." For lacework of real silver, or wire-drawn and spun gold, a duty of 3 rubles the pound, for silver drawn wire and spun a duty of 1 ruble 50 copecks the pound should be sufficient.—(Fürth, Offenbach, Munich.)

No. 301. Pure gold and silver leaf, also double gold in books, with the weight of the latter added, pays a duty of 1 ruble the pound; this should be reduced to one half.—(Ludenscheid, Berlin).

Manufactures of Plated Silver, German Silver, China Silver, Alfenid, Melchior, and other white hard metal compositions.

Of all the different manufactures belonging to this class, so extensively cultivated of late, the Russian Tariff only recognizes manufactures of plated silver, which it taxes with a duty of 20 rubles per pud (65 thalers 28 silvergroschen the centner), No. 295. The following classification is recommended to be made:—

(*a.*) German silver wire 2 silver rubles the pud.

(*b.*) Manufactures of the above-named metals, excepting those of plated silver, cast as spurs, riding and driving gear, carriage ornaments, &c., of rolled pewter, stamped, or produced by the lathe, as spoons, coffee-trays, tea and other utensils, and the same unfinished rough, filed or ground, but not polished, 4 rubles the pud.

(*c.*) The same finished, polished, gilt, or silver gilt, 6 rubles the pud.

(*d.*) The same, silver gilt, partly or wholly gilt, 10 rubles the pud.

(*e.*) Manufactures of plated silver, partly or wholly gilt, 15 rubles the pud.

Note.—Under manufactures of plated silver, only those which are really plated should be understood, that is, such which consist of silver plates rolled on to copper, but not those which are silvered by galvanic or other processes, which are to be rated under (*d*) of this class.

General remarks: 1. Small connecting parts of other substances, as feet, knobs, handles, &c., of wood, horn, bone, ivory, mother of pearl, do not exclude the rating under (*b*) and (*c*) of this class. 2. Boxes and packages, in which the above are imported, are to be rated according to their materials. 3. Knives and forks, steel, but with handles of metal enumerated in this class, are rated under it, and not as "cutlery goods."—(Berlin, Ludenscheid.)

Manufactures of Brass, Pinchbeck, Copper, and Bronze.

Nos. 294, 295, 319-321. At present manufactures of copper and brass are rated at 4 rubles the pud (No. 318); copper and brass-wire, and brass strings, 3 rubles by sea, and 2½ rubles by land, the pud (No. 319); manufactures of copper and brass-wire, 6 rubles the pud (No. 320); tinsel 45 copecks the lb. (No. 321); manufactures of bronze, not gilt, or silver gilt, 16 rubles the pud; gilt or silver gilt, 20 rubles the pud (Nos. 294, 295).

It is necessary to distinguish carefully, and to fix the meaning of bronze.

Preliminary Observation.—Under the term "bronze" are understood only cast and other goods of yellow or red metals, which are gilt by galvanic process, or in fire, or partly gilt, partly silver-gilt. Wholly silver-gilt goods of these metals are placed in enumeration (*a*) of the former class. On the other hand, only "boiled" goods belong to (*b*) of this class.

(*a.*) All brass, pinchbeck, and copper manufactures, cast, produced by galvano-plastic processes, with the lathe or with the press, raw, unfinished, quite raw or burnt, or with filed edges and casting seams, but not ground, polished, chiselled; likewise brass and copper nails, screws, &c., and drawn tubes—2 rubles the pud.

(*b.*) All these goods ground and further worked, also chiselled, engraved, &c., and quite finished, ground, engraved, and varnished, whether in brass, colour of bronze, green, copper-coloured, galvanized, or white-coloured, "boiled;" likewise brass, pinchbeck, or copper buttons (not gilt); likewise all copper and brass domestic utensils, in combination with wood, leather, iron, pewter, and other cheap materials; likewise all kinds of small bellows—4 rubles the pud.

(*c.*) All goods of brass, pinchbeck, copper, or mixed yellow and red metals, gilt by fireor by galvanic process, or partly gilt partly silver-gilt—12 rubles the pud.

Note.—Mixtures of wood, horn, bone, iron, unground glass, &c., are not excluded from the enumeration in this class; also unimportant and indivisible portions of ground glass, painted or gilt porcelain and other materials rated at a higher duty than 4 rubles the pud.

On the other hand, the goods otherwise belonging to (*b*) are, in so far as they are in essential combination with materials otherwise rated at more than 4 rubles, as figures, capitals of pillars, basins, vases, &c., on chandeliers, wall-chandeliers, and branch candlesticks, are subject to a duty of 6 rubles the pud. Other connecting portions of those articles belonging to (*c*) are still to be rated at 12 rubles.

(*d.*) Copper and brass wire, including wire insulated with gutta-percha, or otherwise, for telegraphic apparatus and conductors, brass strings, copper and brass wire twisted together in a spiral form, but not further worked—2 rubles the pud.

(*e.*) Manufactures of copper or brass wire, brass and copper, yellow, red, or white-boiled hooks and eyes, and pins, bird-cages of brass, or with wood—5 rubles the pud.

(*f.*) Counterfeit leaf-gold and tinsel, all kinds of foil, excepting foil used for looking-glasses and tin-foil, with the weight of the small books in which they are imported—8 rubles the pud.—(Lüdenscheid, Berlin, Fürth, and Stuttgardt.)

No. 322. Manufactures of tin and and zinc are all rated, without any distinction, at 4 rubles by sea, and 3 rubles by land. Bronzed and gilt manufactures are, however, subject to much higher duties. It would be preferable to have the following classification introduced :—

(*a.*) Zinc metal, 1 ruble the pud; wire, tubes, nails of tin and zinc, 2 rubles the pud.

(*b.*) All other tin and zinc manufactures, cast, rolled, or otherwise made of pewter, not painted, not lacquered, 3 rubles the pud.

Note 1.—Spoons, snuff-boxes, match-boxes, and the like, which are only lacquered inside, are rated under (*b*).

Note 2.—Common white metal, called Britannia-metal, is to be treated like tin and zinc.

(*c.*) Tin and zinc manufactures, varnished, lacquered, painted, bronzed with bronze powder, covered with leaf-gold or leaf-silver, coloured galvanically, and the like, 4 rubles the pud.

(*d.*) The same, gilt or silver-gilt, 8 rubles the pud.—(Breslau, Berlin, Fürth, Lüdenscheid.)

No. 323. Manufactures of lead pay according to No. 323, 3 copecks the pound. Reduction to one-half is to be recommended.—(Breslau.)

Nos. 302-317. Manufactures of iron, cast iron, and steel. (Compare above, Class 13.) A complete rearrangement and a partial reduction of the duty is to be recommended in this branch.

Smiths' work, iron. We here group No. 302, smiths' iron work, 1 ruble the pud, and Class 315, manufactures of cast steel, not enumerated in any other class, 1 ruble per pud by land, 1½ rubles by sea, as follows :—

Iron manufactures of every kind which are not tools, and only wrought, or also blackened or smoothed (rough and ordinarily filed). Here belong manufactures of tin-plate (white iron) raw or blackened, chains, all kinds of iron nails, wrought or cut (machine nails), or of wire (wire tags); further, all iron nails for pianoforte manufacture, all kinds of iron screws,* hinges cut in wood or metal, iron drawn tubes; all manufactures of cast steel, without distinction of their weight, so far as such are not enumerated in other classes of theTariff, as bells, mortars, hearth plates; all kinds of springs for carriages, and carriage axles.—(Offenbach-on-the Maine.) Bedsteads and all other furniture of wrought iron or drawn tubes, painted and lacquered or otherwise; iron safes, boxes, cupboards, &c., for keeping gold and valuables; iron covers and the like. A reduction of the duty of 1 ruble the pud to 50 or 75 copecks is desirable.

Note.—It is immaterial whether bedsteads, furniture, and cupboards are wholly of iron or furnished with portions of brass, as feet, castors, knobs, beading, and the like; likewise if money safes and cupboards are mounted on wood or wooden stands,.

Nos. 313, 314. Locksmiths' work. The Russian Tariff distinguishes between unpolished (313) and polished work(314); the former being rated at 4 and the latter at 8 rubles the pud. As these articles are in a great measure demanded ordinarily polished or bright, they fall under the heavy duty, for the most part, of 8 rubles. Shoemakers' awls, for example, are wrought and polished, and although they are enumerated under Class 313 (4 rubles the pud), a duty of 8 rubles is often levied upon them, which the article cannot bear. Common, although polished and bright, locksmiths' work, to which all the heavy door-locks, hinges, and ornaments, belong, can only be subjected to a duty of 1½ to 2 rubles. The better kind of cupboard locks and padlocks would bear a duty of 3 rubles the pud.—(Lüdenscheid, Lennep, Remscheid, Radevorm, Walde, Velbert, Breslau.)

Tools of all kinds (No. 309) are subject to a duty of 80 copecks by sea, and 50 copecks by land (2 thalers 19 silvergroschen and 1 thaler 19 silvergroschen) per centner respectively. There is nothing to be said against a duty of 50 copecks the pud, yet this clause should be completed as follows :—

Tools of all kinds, except those specially named, used in the arts, in instruction, by apothecaries, work-people, in garden cultivation, in manufactories and manufactures of iron or steel, whether blackened, filed, ground, polished, tinned, or not, or in combination with brass, copper, wood, and the like. Chiefly saws, files, rasps, planes, and planing-irons, chisels, axes, choppers, anvils, without distinction as to weight. All kinds of knives, which are only used in trade, as tobacco cutters', slaughter, and saddlers' knives, paring and finishing knives for bookbinders and shoemakers; guilders' and cork-cutters' knives, scraping knives for lithographers, and the like. All kinds of scissors used for trade and working purposes; tailors' cutting-out scissors, hair-cutting scissors, garden-scissors, sheep-shears and cloth shears, which are free of duty. Not only should all edge steel and iron tools be placed in this class, but also all that belong to the handicraft branch, and

* Screws are placed here out of Class 313 (4 rubles); the "wood screws" of Cronenberg also belong here.

are not specially enumerated, as glaziers' and lithographers' diamonds, whether fixed in wood, iron, or in whatever manner, erasing knives fixed in wood; artificial or natural sharpening and grinding-stones, in any setting; all kinds of otherwise not enumerated sieves, sieve-bottoms, namely, those of brass, copper, and iron wire; iron sugar-moulds, painted and plain, and candy-boxes, for sugar bakeries; all kinds of animal traps; rapiers, however mounted, and rapier-blades. Wooden stands for tools, as planing-blocks, all wooden tools, with or without unimportant metal mountings, as rules, rulers, measures, screw-drivers, planing-tables, and the like. Further, all kinds of tool-boxes and chests, with all kinds of tools and implements, as, for instance, joiners', turners', locksmiths', bookbinders' tools, garden implements, whether for trade or house-purposes, or for children, together with the weight of the boxes in which they are imported.—(Lüdenscheid, Berlin.)

Cutlery and Arms.

No. 308 charges them with a duty of 40 copecks the pound, and fine cutlery as valuable fancy goods at 1 ruble. The rate of of 40 copecks affects middling quality (not to speak of ordinary) Solingen table knives and forks, as well as cast shears, the duty equals the value, or surpasses it by 50 to 80 per cent.; the better qualities are therefore excluded. An *ad valorem* duty of 10 per cent. would be the most desirable, that is, if *ad valorem* duties are to be adopted; if not, the following reductions would be desirable:—

Cutlery with or without settings of wood, horn, bone, stag-horn, whalebone, and similar cheap materials, *i.e.*, table-knives and forks, pocket, pen, and such like knives, scissors, corkscrews, instruments for the toilet, as nail-files and pincers, hair-tweezers, and generally all small similar instruments not otherwise enumerated in the Tariff, which, also, do not come under Nos. 279, 309, 313, and 314. Further, all weapons (excepting rapiers and rapier-blades), blades, and small arms of every kind, excepting those acting without powder, the importation of which remains forbidden, however finished. Barrels, iron ramrods, locks to such fire-arms, 25 copecks the pound.

Fine cutlery, with settings of fine material, as tortoiseshell, mother-of-pearl, and the like, 50 copecks the pound.

Note 1. Cutlery in settings of gold, silver, plated silver, German silver, china silver, alfenid, and melchior, are to be rated according to the metals of which the handles are made.

Note 2.—Appurtenances of fire-arms, bullet-moulds, screw-drivers, scrapers, wipers, powder-measures and the like, are rated according to No. 309 (tools).

Note 3. The duty on the boxes and cases in which cutlery and arms are imported should be levied according to the material of which they are made.—(Solingen, Lennep, Lüdenscheid, Stuttgardt.)

No. 303. Iron and steel wire. Both are included in Class 303 (with steel strings for musical instruments), and have to pay the high duty of 1 ruble 80 copecks the pud. The duty upon iron wire amounts to 60 to 75 per cent. of the value, and is three times as high as the duty upon tools. It should be reduced to 50 copecks. Steel wire and steel strings bear a duty of 1 ruble the pud.—(Lüdenscheid, Lennep, Berlin.)

No. 304. Iron plates lacquered and plain are subject to a duty of 1 ruble 50 copecks the pud; a duty of 50 copecks would be sufficient, and tinned (so called white iron) in sheets should be included.—(Berlin.)

Nos. 305, 306. Pewter goods, 2 rubles 50 copecks, and when painted or ornamented 8 rubles is too high.

It is recommended:—

(*a.*) Manufactures of tin plates (so-called white iron), tinned iron goods of all kinds, kitchen utensils, made of iron plates, wholly or partly enamelled or tinned; iron harness; iron buckles (for trowsers and waistcoats), whether bright or not, lacquered or tinned, 1 ruble or 50 copecks the pud.

(*b.*) Lacquered tinned iron goods, excepting those of zinc plates, and the like ornamented, painted, gilt silver, 4 rubles the pud.—(Stuttgardt, Lüdenscheid.)

No. 307. Scythes, reaping-hooks, &c., bear the moderate duty of 40 copecks the pud. There is no reason for any alteration.—(Lüdenscheid, Stuttgardt.)

No. 310, 311. Needles. The tariff levies a duty of 1 ruble 50 copecks the pound upon sewing and other small needles; and upon packing, harness, saddlers', and sail-makers' needles, as well as knitting needles, a duty of 25 copecks the pound. The finest needles can alone enter, the duty amounting to double and treble the value. The duties upon sewing needles, bead and knitting needles, should be reduced to 50 copecks the pound, and those upon packing, harness, saddlers,' sail, darning, lacing, and knitting needles, &c., to 10 copecks the pound.—(Lüdenscheid, Berlin, Stolberg.)

No. 312. Manufactures of iron and steel wire pay a duty of 4 rubles the pud. It is not plain why the ordinary machine-made pins, hair-pins, hooks and eyes of iron and steel wire, have been withdrawn from this Class, and placed under No. 285 (ordinary fancy goods). They cannot bear the latter rate of duty. The following enumeration is recommended:—

Manufactures of steel and iron wire, bright, tinned or lacquered, excepting those specially named, combined or not with brass, tin, iron, and similar cheap materials. Hat-wires, wire-bands, crinoline, steels, corset-fastenings. Raw or lacquered frame-works (without handles) of umbrellas and parasols. Birdcages, wholly of iron or steel wire, bright or lacquered and wooden, bright and lacquered tin ditto, only with crossings and plaitings of similar wire. Likewise pins, hair-pins, hooks and eyes of iron and steel wire, 4 rubles the pud.—(Lüdenscheid.)

Nos. 316, 317. Worked cast-iron. Cast-iron, excepting that specially enumerated, 80 copecks by sea, and 50 copecks by land, utensils of cast-iron, enamelled (with glaze), 1 ruble 20 copecks. Small articles of cast-iron, 4 rubles the pud; gilt or silver-gilt, also valuable fancy goods, 1 ruble the pound. It is proposed to re-arrange this clause, as follows:—

(*a.*) Cast-iron goods of all kinds, excepting those specially named, without distinction of weight,

rough, filed, ground, turned, polished, tinned, painted or lacquered, coloured, or bronzed with bronze powder, covered with leaf, gold or silver, wholly or partly, galvanized, enamelled, or glazed, including kitchen utensils and furniture of all kinds, 50 copecks the pud.

(*b.*) Cast iron furniture, stuffed and covered, with whatever kind of stuff, 75 copecks the pud.

(*c.*) Small articles of luxury and utility, as writing materials, fire-irons, stands, thermometer frames, candlesticks, letter-weight figures, and groups of the same, 2 rubles the pud.

(*d.*) All these articles galvanically-gilt, or silver-gilt, with or without combinations, 10 rubles per pud.

Note.—Connecting parts of bronze, brass, wood, glass, porcelain, &c., as castors, feet, handles, rings, &c., on furniture, knobs, aglets, small pillars of étagères, &c., unimportant in comparison to the weight of the articles, do not exclude their enumeration under (*a*), (*b*), (*c*), of this class.

Note 2.—Portions of marble, other kinds of stone and wood, as writing materials, letter weights, &c., the iron mounting being secondary, as letter weights of marble with an iron knob or handle.

Note 3.—Separable parts belonging to cast iron articles of other materials, as porcelain and glass ink-stands of writing materials, buttons, middle pieces, sockets, &c., of candlesticks, linings of vases, and the like, are to be rated specially according to their materials.

Note 4.—Under the figures and groups named in this class (*c*), only those small ornamental knick-knacks, and groups to be placed upon furniture, and the like, are to be understood; but larger and monumental figures, &c., such as are used for mineral springs and the like, are to be enumerated under (*a*).—(Berlin, Offenbach, Luneburg.)

No. 234. Caps of all kinds, without fur work, pay according to the Tariff 50 copecks a piece. Caps with fur work are rated under Class 366 (manufactures of fur). Common peasants' hats and caps of lambskin 15 copecks the piece. Here also a reduction and more exact classification might be recommended.

It is suggested:—

(*a.*) Caps, common, for summer and winter covering, with cotton or linen lining, to pay 15 copecks each.

(*b.*) The same, fine, with silk lining, 30 copecks a piece.

(*c.*) Common peasants' caps without fur, or with common fur (lamb, sheep, and dog,) 10 copecks a piece.

Note.—Caps entirely of fur or with ear covers, &c., of fur are to be rated under No. 366. Caps of cloth or any other material, lined with fur work, are to be rated under (*b*) of this class.—(Berlin.)

Nos. 325-328. Paper, paper hangings, pasteboard, ordinary writing paper, printing paper, are charged with a duty of 5 rubles 50 copecks the pud (Regulation of 1863); silver gilt, gilt, pressed, painted, &c., 10 rubles; drawing, note paper, paper with embroidery patterns, 2 rubles the pud; articles of pasteboard, 10 rubles the pud. A reduction is urgently required, as well as amplification. The whole class should be remodelled as follows:—

(*a.*) Writing paper, excepting that specially named, likewise all thin, so-called "silk paper" (silver paper), white or coloured, also copying paper, paper for cigarettes, Chinese paper, and rice paper, all paper ruled with the pen, 4 rubles the pud.

Note.—Under writing paper, all white paper, or coloured in the mass, paper intended for writing, is to be understood without the ornaments mentioned in (*a*). Waterlines of whatever kinds, whether in form of ruling, squares, or any pattern soever, likewise the names of firms, names, crests, or initials, immaterial whether in letter press, lithographic or coloured print, dry stamps, or watermarks, are not regarded as ornaments, and do not preclude enumeration in (*a*).

(*b.*) White or coloured blotting, filtering, and printing paper; white and coloured drawing paper, including tracing paper and tracing gauze; lined and not lined note paper; embroidery pattern paper, with or without painted patterns; white or coloured cardboard, or so called Bristol paper; porous pasteboard; oiled or prepared pasteboard for press copying books; paper soaked in wax for apothecaries (carta cerasa), and prepared and not prepared paper for photographic purposes; pasteboard prepared with chalk, or otherwise, for lithographs, 2 rubles the pud.

(*c.*) Paper hangings and borders for the same, however finished, 3 rubles the pud.

(*d.*) Ornamented papers, one-coloured or many coloured papers, dark, smooth, glazed, gilt, silver-gilt, pressed with stamped patterns, painted, with gauze and silk stuff stuck on, with lace, pictures, devices, arabesques, initials and arms (smooth paper with initials and arms, and with further ornaments, belong to *a*). In sheets, lace, or whatever shape, as congratulation cards, labels for wine, for perfumery, private paper money, confectionery paper, manufactures of paper, as cotillon-decorations, letter envelopes, lamp veils, lamp shades, artificial paper flowers, illumination lanterns, all kinds of paper and gelatine wafers, 6 rubles the pud.

(*e.*) All kinds of manufactures, of cut card and pasteboard, pressed cartons for picture-frame linings and photographs; "cartonage" articles entirely of card and pasteboard, and paper, or in combination with other materials, such as wood, straw, flowers, ribbons, looking glasses, metal ornaments, and the like. All manufactures of papier maché and carton pierre, which are not enumerated in any other class of the Tariff (papier maché toys, see toys). All bookbinders' work (excepting that specially named) of leather, in essential combination with paper, cardboard, or pasteboard, amongst others all kinds of such boxes, as pen and drawing boxes, with silk or velvet lined cases for jewellery and watches; but chiefly all kinds of bound books, without print and writing (for those with printing and writing, see No. 6), for whatever purpose, as copy books, lined and unlined counting-house books, writing books, memorandum books without portfolio arrangements, album, poetry, drawing, note books without notes, drawing books, photographic albums of all kinds, excepting those enumerated under "valuable fancy goods," filled with pictures or not; books without covers for photographic albums, bookbindings (covers without books) of all kinds, excepting those enumerated in "valuable fancy goods," 8 rubles the pud.

Note.—Under photographic albums enumerated here, only such are included as contain sheets for holding photographs. Photographs in books and albums, also under the title of "photographic albums," belong to No. 6.—(Berlin, Breslau, Frankfort-on-the-Maine, Stuttgardt, Offenbach, Munich, Fürth, Rodach.)

No. 329. Frames with looking glasses, pictures, &c. (metal ones excepted), would be omitted here, because they are already included in Nos. 267 to 269.

No. 330. Umbrellas and parasols with handles of wood, horn, iron, 1 ruble 50 copecks a-piece; with handles of other materials, 2 rubles a-piece; too high a duty. An *ad valorem* duty is desirable. Should this not be attained, the following classification and reduction is recommended:—

Parasols:—

(*a.*) Finished, but not covered, with handles and sticks respectively of iron, wood, cane, thorn, horn, bone, cocoa-nut, thick shelled nut, or other valueless materials, 25 copecks a-piece;

(*b.*) Finished, but not covered, with handles of mother-of-pearl, ivory, tortoiseshell, and similar valuable materials, 50 copecks a-piece;

(*c.*) Quite finished and with handles and sticks, respectively (as under *a*), 50 copecks a-piece;

(*d.*) Quite finished and with handles (as under *b*), 1 ruble a-piece:

Umbrellas:—

(*a.*) As above, 50 copecks;

(*b.*) As above, 75 copecks;

(*c.*) As above, 75 copecks;

(*d.*) As above, 1 ruble 25 copecks.

No. 334. Writing slates, 80 copecks the pud should also be recommended for reduction. (Neustadt, near Coburg.)

No. 336. Perfumed soap, 5 rubles the pud gross. Active demand in Russia. With the reduction of the duty to 2 rubles, a more substantial trade would be created.—(Frankfort-on-the-Maine, Offenbach, Berlin, Insterburg.)

No. 337. Sealing-wax and red resin, 2 rubles the pud; to be added:—paste wafers of every kind (other wafers, see under Paper, *d*).

A special class for "toys" should be here introduced. They now bear a duty of 30 copecks the pound, under "common fancy goods," and which, excepting some of the finer kinds of toys (dolls, glass articles, "terralith" toys, tin toys, &c.) are quite excluded from the regular trade. Tool-chests should be rated under "tools," No. 309; but for toys a duty of 20 per cent. should be aimed at. An *ad valorem* duty is in every case to be preferred for these articles. Any scale of duties for toys must be imperfect. Sonnenberg has attempted a classification:—

(*a.*) Woodware, white, unpainted, of an average value of 8 to 10 florins the centner.

(*b.*) Toys and useful articles of wood, papier-maché, terra-cotta, porcelain, tin, iron-plate, of the value of 30 to 100 florins the centner.

(*c.*) Glass toys, glass marbles, glass beads, and such like articles, of about 30 to 150 florins the centner.

Moderate duties should be imposed on these. Should, however, the duty be still levied by weight, it would be necessary to obtain fixed tare-allowances. Owing to the fragility of many of these articles, and the care with which they must be packed, their unpacking at the Custom-house is an evident disadvantage.—(Nürnburg, Fürth, Neustadt, near Coburg, Stuttgardt, Sonnenberg, Berlin.)

No. 338. Straw plaits, 80 copecks the pound, a duty which might be reduced to one half.—(Breslau, Stuttgardt.)

No. 339. Cordage. There is nothing to be said against the duty of 40 copecks the pud upon ropes, cords, strings.

But the class might be more accurately defined as follows:—

Rope, cord, and string of hemp, flax, hemp and flax tow, New Zealand flax, manilla hemp, and other vegetable fibres, tarred or untarred, raw, bleached, or coloured; likewise hose for fire-engines and other purposes, hempen fire-buckets tarred and painted or not, common bridles and the like—40 copecks the pud.

(*b.*) Better ropework of above-named materials, as fishing-nets, waistbands, bell-ropes, &c., 2 roubles the pud.

Note 1.—Unimportant mixtures of cotton, wool, and silk in ropework, as in bell-ropes, pockets, girdles; likewise unimportant combinations of other materials, as leather for trimmings on pockets and girdles, metal buckles and rings, do not exclude enumeration in this class.

Note 2.—Sailcloth and other stuffs saturated with tar and the like, likewise common waxed packing calico, and waxed packing paper, are to be admitted under (*a*) of this clause.

No. 340. Pottery-ware. There is nothing to be said against the duty of 20 copecks the pud by land, but 40 copecks by sea is too high. A supplement is here also wanted. The following arrangement is proposed:—

Pottery goods of common clay or sandstone, glazed, or not glazed excepting those specially enumerated, as tiles for stoves, utensils, and all other clay goods. Generally, all manufactures of burnt clay, glazed or not glazed, painted, gilt, or silver gilt, or as usual, but not belonging to china and delf ware. Complete stove and cooking hearths, of glazed tiles, in combination with iron, and the like, are likewise to be reckoned in this class.—(Berlin.)

Nos. 341–346. Watchmakers' goods. Although the duties cannot be called high, yet a reduction would be gratefully received, and would enliven the trade. It is an evil that gold and gilt watches bear the same duty (1 ruble 20 copecks a piece). Silver watches, on the other hand, only 60 copecks a-piece. The gilt ones, generally of German silver or pinchbeck, are thus to some extent prohibited, and could very well be placed on an even footing with silver watches.—(Frankfort-on-the-Maine, Stuttgardt, Ravensberg.)

No. 349. Scales for weighing. Here might (compare No. 36) be added :—excepting the decimal and centesimal (fraction) scales, which are to be admitted free of duty.—(Berlin.)

No. 350. Perfumed waters should here be omitted, as they are placed in No. 283.

No. 351. Wooden lucifer matches were forbidden in the Tariff of 1857, but have been admitted since 1860 at 1 ruble 50 copecks the pud gross. There would remain to be added, wax matches, German tinder, cigar lights, &c. Likewise crackers, and all kinds of fireworks, all packed in metal packages at the above duty. On percussion-caps (copper heads) of all kinds, likewise all requisites for loading fire-arms, made upon particular systems; reflecting burning glasses, sheaths, capsules, shot capsules, ball, and shot cartridges, and the like, 6 rubles the pud would be a sufficient duty.

Fuel. Of coal, coke, sawdust, turf, and the like, in combination with easily inflammable resins, moulded slabs, bars, blocks or in whatever form should be admitted duty free, or at the most be rated with a duty of 20 copecks the pud.

In the fourth section concerning "fancy goods," the Class 356–66, Fur-work, requires further attention. The duties upon fur-work, in which an active trade exists between Russia and Poland, are, with the exception of No. 362 (Musk-rat skins and tails), altogether much too high. The German furs, such as fox-skins, 30 copecks the pound; marten, 50 copecks the pound; otter skins, 1 ruble 20 copecks the pound, are taxed so high that the German dealers have a habit of preparing the goods in a peculiar manner, in order to make them of lighter weight, and at least, in some degree, to avoid the high duty, a manipulation which takes up much time, and is not everywhere practicable, while it reduces the quality of the goods. A general duty, not exceeding 15 to 20 copecks the pound upon fur-work would admit of a thoroughly legitimate trade.—(Breslau, Frankfort-on-the-Maine.)

Third Specification.—Apothecary Wares and Remedies.

This specification, particularly the second division, "ready-prepared remedies," requires a thorough revision. We must, however, limit ourselves to a few general remarks.

According to Note 3 of the second division all the remedies and apothecary wares marked with + of the first division may only be imported from abroad for the use of apothecaries. This privilege of the apothecaries appears, however, to be much encroached upon, for the Russian druggists have for years imported not only all the "patent medicines" specified in the Tariff, but also many others that are not specified. According to Note 4, on importing patent articles not specified in the Tariff, samples of such "nova" are to be handed to the Department of Foreign Trade, which decides, after consulting with the Central Medical Board, whether they are admitted or excluded. It must therefore be supposed that the list of "ready remedies" is now much greater than when the Tariff of 1857 was enacted, as it only contains fifty-seven numbers. It is desirable that Russian buyers and foreign sellers should know exactly what may and what may not be imported, and it is therefore urgently required that the Tariff should be thoroughly revised, and that the Russian Medical Board should act impartially. A fixed, decided principle in regard to admission or rejection does not appear to exist. It also happens (the case of Waldwoll extract is before us) that similar articles, which for a long time have remained unquestioned, are suddenly stopped on entry, and months pass without any decision being arrived at. Many "remedies," pills and similar articles, not mentioned in the Tariff, pass in irregular traffic over the frontier.

Russia is a large purchaser of medicaments that have become "celebrated." In the interest of Russia herself it is to be recommended that she should admit their legal importation.

(C I.)

Principal Imports into the Zollverein from Russia and Poland.

Articles.	Class in Zollverein Tariff.	1860.		1861.	
		Total Importation.	Of which in transit.	Total Importation.	Of which in transit.
Clippings from tan-yards	1	24,083 centners	24,075 centners	12,156 centners	12,166 centners
Potash	5 i	3,666 ,,	3,666 ,,	3,227 ,,	3,059 ,,
Oil of turpentine, fish-blubber ..	5 m	6,863 ,,	7,431 ,,	5,599 ,,	4,925 ,,
Raw iron, of all kinds	6 a	2,504 ,,	2,419 ,,	1,137 ,,	1,276 ,,
Flax, hemp, tow, oakum	8	190,701 ,,	195,072 ,,	159,130 ,,	171,752 ,,
Corn, &c.	9 a 1 aa	2,517,856 scheffels	2,517,856 scheffels	3,328,859 scheffels	573,575 scheffels
Beans, pease, millet, &c.	9 a 1 bb	283,516 ,,	283,506 ,,	212,073 ,,	47,110 ,,
Rye	9 a 2 aa	4,705,127 ,,	4,705,127 ,,	3,560,539 ,,	1,615,048 ,,
Barley, malt	9 a 2 bb	233,611 ,,	233,611 ,,	164,108 ,,	60,327 ,,
Oats, buckwheat	9 a 2 cc	369,269 ,,	369,269 ,,	208,720 ,,	57,699 ,,
Hemp-seed	9 b 2 aa	3,999 centners	3,999 centners	4,697 centners	4,743 centners
Linseed	9 b 2 bb	487,492 ,,	487,492 ,,	427,802 ,,	193,246 ,,
Rape-seed	9 b 2 dd	66,694 ,,	66,694 ,,	82,134 ,,	72,913 ,,
Clover-seed	9 b 3 aa	1,344 ,,	1,344 ,,	924 ,,	924 ,,
Raw hides and skins, for leather ..	11 a	10,351 ,,	6,387 ,,	17,773 ,,	7,128 ,,
Skins for furs	11 b	1,104 ,,	1,064 ,,	1,136 ,,	577 ,,
Hare and rabbit-skins	11 e	1,165 ,,	1,179 ,,	1,144 ,,	1,117 ,,
Hair of cows, oxen, bulls, and of goats	11 d	2,314 ,,	2,104 ,,	2,686 ,,	2,064 ,,
Wood for fuel	12 a	14,753 fathoms	14,753 fathoms	16,448 fathoms	16,448 fathoms
Blocks or balks of hard wood ..	12 b	94,763 number	94,763 number	103,620 number	104,296 number
Blocks or balks of soft wood	12 b Ap. 2 bb	1,330,095	1,330,095 ,,	1,360,339 ,,	1,359,697 ,,
Planks, boards, laths	12 b Ap. cc	46,704 Ships' lasts	46,704 Ships' lasts	45,023 Ships' lasts	45,657 Ships' lasts
Charcoal	12 c	48,091 centners	48,091 centners	29,326 centners	29,326 centners
Hops	13	2,586 ,,	2,241 ,,	360 ,,	347 ,,
Grey packing cloth	22 d 1	550 ,,	550 ,,	581 ,,	550 ,,
Rags	24	118,427 ,,	3,549 ,,	101,575 ,,	5,038 ,,
Flour of various kinds	25 qβ	2,541 ,,	2,456 ,,	1,932 ,,	1,933 ,,
Syrup	25 u	1 ,,	1 ,,	38,286 ,,	1 ,,
Sugar, refined, lump, &c.	25 x 1	56,322 ,,	22	5 415 ,,	3 ,,
Oil-cake	26 Ap. 2	33,240 ,,	33,240 ,,	70,818 ,,	43,798 ,,
Mats or ordinary floor-cloths ..	3 1	3,505 ,,	3,306 ,,	12,023 ,,	12,776 ,,
Tar, birch-oil, pitch	37	12,693 ,,	12,693 ,,	12,947 ,,	11,792 ,,
Horses and donkeys	39 a	2,878 number	2,880 number	4,368 number	4,368 number
Horned cattle	39 bl—	1,157 ,,	1,157 ,,	2,692 ,,	2,692 ,,
Pigs	39 cl—3	324,193 ,,	324,193 ,,	266,602 ,,	266,602 ,,
Sheep	39 d	10,498 ,,	10,498 ,,	20,926 ,,	20,926 ,,
Other kinds of sheep and goats ..	39 e	6,253 ,,	6,253 ,,	10,700 ,,	10,700 ,,
Sheep's wool, raw, and combed ..	41 a	56,494 centners	56,486 centners	54,752 centners	53,115 centners
Raw zinc	42 a	22,905 ,,	2 ,,	25,016 ,,	2 ,,
Feathers, quills	A. E. A.	1,698 ,,	1,684 ,,	1,170 ,,	1,756 ,,

(C 2.)

Table of Principal Exports from the Zollverein to Russia and Poland.

Articles.	No. in Tariff.	1860. Total Export.	1860. Of which in Transit.	1861. Total Export.	1861. Of which in Transit.
		Centners.	Centners.	Centners.	Centners.
Raw cotton	2 a	42,773	14,232	23,222	19,247
Cotton yarn, unbleached, single and double twist	2 b 1	25,859	790	19,445	922
Cotton yarn, unbleached, triple or more twist	2 b 2	6,511	871	7,240	1,222
Cotton goods	2 c	56,696	42,678	54,382	40,956
Lead, in pigs, &c.	3 a 1	13,771	11,570	6,171	5,157
Lead, silver, and gold litharge	3 a 2	661	652	693	693
Common leaden goods	3 b	1,283	573	787	642
Chemicals	5 a 1	8,098	5,680	8,210	5,869
Alum	5 b	4,040	476	2,778	681
White lead	5 c	3,957	998	5,018	945
Aloes, gall-nuts, &c.	5 e 2 aa	1,517	1,011	1,720	1,651
Resins of all kinds	5 e 2 bb	20,484	17,688	7,889	7,864
Sulphur	5 e 2 dd	140	132	9,622	9,619
Dye stuffs, Avignon berries, &c.	5 e 3 aa	1,481	532	1,823	1,740
Indigo	5 e 3 ff	1,322	871	662	343
Chicory, dried	5 e An. 1	13,362	13,233	7,865	7,865
Dye-woods, in blocks	5 f 1	13,731	12,981	5,807	5,760
Ditto, ground	5 f 2	3,856	2,996	2,889	2,103
Soda	5 g 3	31,429	119	20,127	370
Hydrocloric Acid	5 k 1	3,276	3,276	2,175	2,175
Sulphuric acid	5 k 2	3,571	3,571	2,247	2,247
Raw iron of all kinds	6 a	10,961	338	1,406	239
Iron, wrought and rolled, of more than ½ □″ Pr. in diameter	6 b 1	37,533	1,052	26,720	441
Railway iron	6 b 2	431,511	17,705	136,462	4,206
Iron, wrought, &c., of less than ½ □″ Pr. in diameter	6 c	14,765	610	18,588	1,071
Worked iron, in rods, &c.	6 d	78,881	222	57,121	1,115
White iron, polished iron plates	6 e	15,258	3,096	6,884	1,846
Cast iron goods, rough	6 f 1	95,875	20,232	94,608	16,353
Iron and steel goods, rough	6 f 2	246,059	29,572	241,640	53,829
Ditto, fine	6 f 3	2,495	813	2,310	923
Glass, and articles of green glass	10 a	445	333	426	379
White blown glass, ordinary	10 b 1	1,491	1,071	691	659
Window and table glass	10 b 2	607	332	1,206	802
Glass, cut, &c., white	10 c	1,137	569	860	333
Ditto, coloured, painted, and gilt	10 e	909	333	900	201
Hides and skins, raw, &c., prepared for leather	11 a	4,097	1,856	2,378	929
Skins for peltries	11 b	1,483	1,449	2,372	2,339
Domestic utensils, furniture of wood	12 e	21,733	2,875	19,040	2,388
Cabinet work, fine	12 f	1,250	1,047	1,555	979
Fancy goods of mother of pearl, &c.	20 a	16,792	11,273	16,460	11,045
Skins, tanned, &c.	21 a 1	574	462	770	586
Glove leather, cordova, &c.	21 b	223	152	337	161
Fine leather goods of cordova, &c.	21 d 1	806	235	492	147
Leather gloves	21 d 2	111	61	37	11
Calico, bleached, coloured, printed, &c.	22 f	8,020	5,342	8,761	5,956
Beer and mead, in casks	25 a	3,757	132	4,494	137
Wine, &c., in casks	25 fa	14,052	978	12,163	1,117
Ditto, in bottles	25 f β	4,424	278	2,705	428
Fruit	25 ia 1	2,475	81	2,150	64
Dried fruits, dates, figs, &c.	25 iβ	4,521	50	5,071	56
Pepper and spice	25 k 2	17,118	60	10,529	77
		Barrels.	Barrels.	Barrels.	Barrels.
Herrings	25 l	128,797	3,244	69,775	1,426
		Centners.	Centners.	Centners.	Centners.
Raw coffee, and substitutes for coffee	25 m. a	17,023	2,724	20,254	3,090
Cocoa, in berries and husks	25 m. β	740	1	784	..
Rice, not in the husk	25 s 1	13,289	164	9,063	108
Common salt, rock salt	25 t	665,909	2	701,665	4
Tobacco, in the leaf and in stems	25 v 1	1,494	170	5,157	116
Ditto, in rolls or cut	25 v 2 a	1,068	983	1,627	1,508
Cigars	25 v βaa	2,047	1,700	1,747	1,033
Tea	25 w	14,700	14,439	13,772	13,573
Sugar, refined, in loaves, &c.	25 x 1	11,664	6,684	19,165	6,998
Raw sugar, clayed ditto	25 x 2	24,673	..	17,034	25
Wood-oil, in casks	26 a	8,717	2,909	5,052	272
Ditto, in casks, &c.	26 A. 1	303	303	74	4
Other oil	26 b	1,489	87	3,779	2,631
Unsized printing paper, and coloured packing paper	27 a	944	935	2,002	2,002
Unsized paper, and unsized fine, coloured	27 b	787	612	789	690
Grey blotting and wrapping paper	27 c. An.	854	854	920	920
Raw silk	30	445	..	817	27
Coloured silk	30 a	250	93	634	326
Silk goods	30 b	3,411	468	3,613	441
Mixed silk goods	30 c	754	216	734	169
Coals	34	760,046	760,046	710,586	574,824
Tar, pitch, and birch oil	37	5,258	4,463	6,777	2,826
Crockery or stone-ware, of one colour	38 b	3,593	3,396	26,763	26,619
Woollen yarn, white, triple or more twist	41 b	1,867	1,024	3,057	1,053
Ditto, single and double, not coloured	41 c An. aa	4,056	379	2,570	211
Woollen goods, printed, &c.	41 c 1	3,369	1,779	3,423	1,904
Ditto, milled, not printed	41 c 2	5,727	2,935	5,865	2,217

(D 1.)

Table showing the Exports of Russia to Prussia from 1851 to 1861.*

Articles.	Weights and Measures.	1851. Quantity.	1851. Value.	1852. Quantity.	1852. Value.	1853. Quantity.	1853. Value.	1854. Quantity.	1854. Value.	1855. Quantity.	1855. Value.	1856. Quantity.	1856. Value.	1857. Quantity.	1857. Value.	1858. Quantity.	1858. Value.	1859. Quantity.	1859. Value.	1860. Quantity.	1860. Value.	1861. Quantity.	1861. Value.
			S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.
1. Caviar	Puds	2,797	36,825	1,616	43,016	2,452	71,213	1,686	52,235	3,497	91,133	2,319	95,684	3,689	131,188	3,762	145,698	2,599	95,377	2,467	86,485	6,627	95,932
2. Butter	"	6	19	13	61	5	20	2	10	1,325	7,810	4,685	14,626	2,540	17,959	574	3,907	10	31	6	48	4	20
3. Cattle, oxen, cows	Number	319	4,332	304	7,458	788	25,685	650	21,500	...	...	375	12,181	586	14,239	407	12,711	678	19,646	357	12,364	854	25,821
4. " various	"	98,378	455,279	135,360	657,533	144,811	858,794	85,257	577,070	65,653	424,638	33,262	225,816	71,749	563,955	430,816	3,214,948	248,592	1,907,590	442,214	3,853,953	572,786	5,230,853
5. Corn, wheat	Chetvert	246,320	1,259,904	218,887	1,424,926	379,259	3,085,982	212,480	2,006,916	196,931	1,645,510	229,717	1,995,491	333,058	2,812,525	558,227	2,468,859	734,073	3,383,436	853,044	4,183,569	613,569	3,050,423
6. " rye	"	125,410	424,172	197,182	909,248	166,142	833,590	80,415	374,607	119,572	509,739	257,657	1,628,289	313,018	1,457,356	34,887	106,112	19,256	74,623	39,589	125,681	25,309	75,208
7. " barley	"	21,753	63,249	5,476	20,687	11,433	29,602	49,132	136,794	32,078	98,290	4,050	20,933	24,810	90,285	42,581	104,568	121,778	442,872	62,689	130,168	45,771	102,849
8. " oats	"	179	409	12,720	40,142	21,725	47,770	19,719	46,231	375	890	9,234	28,800	18,555	40,395	40,561	147,968	23,183	124,527	41,312	229,919	31,843	186,345
9. " pease	"	3,246	12,955	7,848	37,524	4,040	17,366	7,870	32,530	6,248	18,396	3,381	22,771	17,036	71,831	917	5,936	59	298	61	1,033	55	106
10. " meal	"	1	7	171	895	926	5,467	2,866	18,736	3,028	28,567	...	1,578	606	6,183	...	10,731	...	11,942	...	3,275	...	4,352
11. " various	"	...	348	...	979	...	1,370	...	3,285	...	7,748	248	2,296	464	4,225	2,085	20,705	1,244	10,026	11	201	—	—
12. Beans	Puds	3,140	39,630	4,740	27,112	6,332	35,244	24,866	96,134	23,761	126,229	24,657	91,935	13,765	75,707	5,318	28,645	5,575	26,624	8,640	42,087	9,662	55,357
13. Horsehair	"	508	66,998	677	86,398	418	55,590	1,342	138,721	1,281	106,636	1,222	124,388	709	79,564	468	63,906	653	69,510	679	80,815	907	93,636
14. Isinglass	"	9,566	162,622	5,601	95,217	8,938	107,079	4,142	32,832	3,809	18,706	15,491	264,255	14,419	253,518	10,652	224,323	9,840	254,541	7,739	145,378	4,267	116,742
15. Leather, Russian leather ...	"	...	2,874	...	748	...	2,729	...	123,209	...	100,700	...	21,402	...	59,508	...	52,427	1,424	72,428	948	21,363	875	8,808
16. " tanned	"	9,481	73,185	7,256	36,221	11,085	53,689	17,002	108,196	12,525	63,669	31,382	261,447	10,357	67,607	7,666	39,335	14,433	98,552	17,326	97,034	11,863	106,188
17. " untanned and salted	"	112,706	136,997	187,740	183,360	143,140	164,977	1,000,632	1,658,871	1,323,110	1,588,235	502,907	751,374	335,323	444,876	228,112	326,305	166,143	363,030	193,937	493,897	157,664	374,235
18. Flax	"	96,495	66,210	81,141	39,025	104,141	52,181	454,996	262,061	96,650	72,021	31,778	24,138	159,327	81,491	65,946	39,988	55,481	39,834	69,511	48,862	59,254	41,693
19. " tow	"	120,886	209,246	115,592	167,928	115,844	207,298	1,021,101	2,085,071	1,046,019	1,469,324	433,186	697,610	112,039	204,951	178,880	386,574	150,933	331,661	163,617	374,748	226,521	499,763
20. Hemp	"	1,041	1,032	391	492	2,053	1,596	77,665	100,642	376,905	224,936	260,285	121,578	22,813	16,595	38,615	29,521	27,913	18,962	41,863	23,469	27,959	17,005
21. " tow	"	32	315	40	160	2	6	209,361	398,918	48,439	106,618	6,277	10,170	245	1,423	83	399	18	55	12	65	—	—
22. Flax and hemp yarn	"	...	808,773	...	1,344,093	...	1,948,097	...	2,551,712	...	1,939,500	...	2,511,350	...	2,508,591	...	1,570,460	...	1,880,826	...	2,246,271	...	2,418,388
23. Timber	Puds	141	466	2,335	6,541	5,726	28,376	54,188	139,431	238,576	711,009	89,150	168,833	79,049	285,880	39,136	149,248	415	1,850	10,084	108,515	27,385	279,950
24. Hemp and linseed oil ...	"	42,909	433,105	84,236	844,373	98,497	1,003,286	66,217	387,774	114,675	419,969	105,388	1,000,003	85,460	863,293	14,555	144,950	17,925	179,165	15,657	34,673	1,650	614
25. Copper	"	21,203	10,780	175,430	62,275	41,027	17,685	65,847	30,780	51,241	28,627	41,686	19,852	57,138	48,041	67,340	28,414	13,910	6,129	15,657	400,762	163,183	404,992
26. Iron	"	187,246	374,572	191,759	307,198	215,509	366,307	7,923	15,172	28,513	85,050	214,769	537,893	160,299	478,279	155,381	341,722	168,244	420,472	174,296	2,402	4,880	39,547
27. Potash	"	10,507	31,522	10,927	35,452	22,634	59,599	960	1,960	1,002	2,477	65,359	174,816	20,338	68,124	—	—	3,642	10,926	1,200	172,069	134,398	671,302
28. Train oil	"	18,755	68,210	89,622	305,185	45,946	179,281	728,388	2,126,552	632,767	1,739,470	597,626	1,865,420	185,958	717,165	108,909	440,706	11,269	57,042	34,394	791,239	158,094	924,431
29. Tallow	"	151,393	790,208	145,960	594,920	134,186	526,327	180,728	634,069	358,424	1,316,200	315,499	1,414,848	174,163	727,138	108,746	503,715	136,705	661,603	152,511	9,666	2,683	8,029
30. Linseed and hemp-seed ...	Chetvert	5,274	11,078	9,355	15,672	11,364	17,210	8,207	24,215	4,697	20,475	7,218	12,730	4,789	10,532	3,454	8,145	3,784	9,039	2,272	33,953	2,089	20,863
31. Tar and pitch	Barrels	1,562	27,327	1,905	29,843	1,081	14,123	3,972	46,161	1,847	17,852	2,158	25,418	1,847	24,688	1,415	16,999	1,453	21,293	2,639	2,445,011	162,782	2,084,231
32. Horse tails	Puds	113,697	1,520,762	110,513	1,797,359	125,484	2,152,069	123,115	1,890,517	146,981	2,159,975	142,866	2,371,550	164,556	2,671,050	206,629	1,953,462	155,578	2,606,706	148,878	237,860	1,077	8,592
33. Wool	"	2,759	50,419	3,963	90,799	2,193	39,275	3,368	46,521	1,711	21,418	6,315	159,054	2,865	79,548	3,619	287,485	2,896	103,481	3,563	87,394	8,472	83,628
34. Hare and rabbit-skins ...	"	8,355	89,209	9,329	92,776	9,402	109,559	34,650	677,656	40,954	639,292	10,750	204,047	8,079	95,038	8,968	99,701	11,519	147,699	9,423	37,546	7,119	27,428
35. Bristles	"	6,115	19,267	974	2,250	6,756	21,784	97,634	246,669	80,412	330,182	60,023	85,955	57,983	160,761	8,135	23,051	7,753	23,359	11,652	11,350	351	3,510
36. Cordage	"															1,294	12,915	1,336	13,345	1,140			
37. Linen, sailcloth, and raven-duck	Pieces	541	5,421	279	2,050	881	8,728	2,591 Pieces 460 Arshins 142,000	17,432	7,894 Pieces. 5,916 Arshins. 101,200	79,800	4,695 Pieces. 1,000 Arshins. 7,400	15,459	178	600	Pieces. 553 Arshins 181,120	18,521	—	—	—	—	Arsh. 760	100
38. Linen, various ...	Pieces and Arshins	Piece 1	9	Piece 1	14	—	—		18,800		65,024		10,155	—	—								
39. Metal work	Number	...	1,786	...	27,128	...	8,673	...	32,317	...	70,134	...	14,887	...	10,714	...	20,427	...	15,322	...	6,010	...	16,162
40. Horses		355	20,453	624	36,343	637	34,233	221	10,220	...	208,673	1,258	82,000	1,937	114,356	1,454	104,735	2,110	84,301	1,041	82,152	1,172	80,001
41. Pelitrics	Puds	...	839,887	...	463,225	...	554,695	...	374,255	...	12,311	743	702,722	...	1,185,424	...	923,512	...	823,338	...	587,027	...	449,532
42. Quills	"	1,563	17,885	1,470	12,454	692	4,203	1,410	12,096	2,299	70,876	31,984	4,129	487	2,954	1,022	5,955	579	4,318	1,316	2,704	1,389	5,952
43. Feathers for beds ...	Number	6,202	28,606	7,558	39,578	6,528	19,422	27,798	83,185	26,643	955	59,420	5,742	63,190	11,974	2,563	12,702	2,747	12,654	2,495	23,647	1,218	11,628
44. Mats		80,650	7,327	91,171	3,662	98,750	9,152	4,000	299	7,799	1,424,879	...	934,308	...	1,225,130	...	894,641	36,862	991,403	15,492	1,988	374,588	32,144
45. Sundry goods	Puds	...	578,421	...	483,754	...	717,181	...	1,011,658	...	6,384	19,392	6,831	58,713	22,597	50,573	15,952	61,332	22,021	66,285	1,619,093	...	1,272,402
46. Rags		...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	49,868	...	82,607	48,776	27,898
47. Tobacco	Puds	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	46,625	7,135	49,210	12,829	...	38,355
48. Bones		...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	55,369	...	14,651	27,796	5,288
49. Drugs	Puds	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	5,572	124,221	70,896	50,905	...	42,723
50. Zinc		...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	12,359	75,757	6,544	183,900	103,194	234,451
51. Oleine	"	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	93,699	...	44,150	7,328	37,292
52. Printed books and engravings		...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	47,924	...	20,690	...	51,965
53. Medicinal substances ...		...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	30,271	...	65,882
Total		...	8,751,101	...	10,376,129	...	13,496,538	...	18,660,976	...	18,083,910	...	18,955,339	...	17,796,475	...	15,436,258	...	16,528,031	...	19,928,855	...	19,995,320

* The articles added to the Table of Exports since 1850 are placed at the bottom of the list. Dots show that the quantities or values were not given in the Russian statistics, while a stroke signifies that there were no importations.

Appendix (D 2.)

Table of Imports into Russia from Prussia, between 1851 and 1861, inclusive.*

Articles.	Weights or Measures.	1851. Quantity.	1851. Value.	1852. Quantity.	1852. Value.	1853. Quantity.	1853. Value.	1854. Quantity.	1854. Value.	1855. Quantity.	1855. Value.	1856. Quantity.	1856. Value.	1857. Quantity.	1857. Value.	1858. Quantity.	1858. Value.	1859. Quantity.	1859. Value.	1860. Quantity.	1860. Value.	1861. Quantity.	1861. Value.
			S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.		S. R.
1. Spices and cocoa ...	...	...	93,877	...	144,918	...	181,724	...	231,788	...	258,715	...	124,190	...	147,581	...	123,381	...	139,749	...	189,939	...	145,875
2. Coffee ...	Puds	14,401	91,914	24,133	218,734	34,222	286,144	87,180	594,555	256,353	1,937,804	106,758	815,699	21,451	177,700	15,699	133,174	24,025	204,838	34,576	328,765	36,087	327,968
3. Sugar, raw ...	"	7,743	34,332	3,030	10,988	1,087	3,805	62,785	224,997	820,690	3,982,098	680,478	3,383,251	49,476	262,209	44,828	204,376	54,750	180,055	64,182	210,141	84,472	309,410
4. " refined ...	"	...	...	...	...	...	...	39,715	210,423	104,521	605,466	106,880	625,572	50,105	281,282	10,259	73,445	1,313	7,262	539	3,013	128	791
5. Wood and other oil, in barrels ...	"	15,051	99,017	21,780	157,875	26,007	198,839	249,732	1,317,957	657,846	3,339,760	217,184	1,342,959	53,600	345,055	25,734	173,792	40,670	260,354	39,491	254,676	41,533	280,748
6. Arrac, rum, & brandy	"	4,956	45,656	7,103	69,982	7,670	84,065	11,735	113,409	20,855	264,215	14,870	178,656	5,189	73,892	5,678	86,522	3,684	61,875	5,015	86,551	4,757	87,516
7. Wine ...	Bottles	29,470	174,986	29,493	187,708	79,968	495,526	76,429	415,052	193,983	1,649,715	183,429	1,436,905	86,223	401,766	57,991	344,720	45,983	302,489	51,974	351,303	60,896	417,211
8. Champagne ...	"	15,543	62,722	10,834	14,538	15,368	112,374	30,005	541,099	35,409	1,115,464	44,448	354,943	27,697	59,002	23,065	47,968	25,747	49,550	23,687	123,625	22,260	97,560
9. Porter ...	Puds	46,538	60,693	8,754	54,158	57,248	57,872	238,860	71,677	471,167	174,280	167,431	92,732	32,592	32,078	24,886	57,898	27,679	63,423	62,127	87,624	45,282	71,676
10. Salt fish ...	Bottles	3,795	705,649	5,640	542,083	5,703	690,064	10,413	604,105	24,856	1,057,890	14,193	880,968	6,547	679,831	5,065	655,206	7,668	748,412	7,095	1,052,362	6,544	676,091
11. Salt ...	Puds	58,818	282,263	31,038	210,348	34,268	272,256	25,508	869,253	50,388	1,526,712	29,161	408,917	9,216	436,383	38,108	270,695	31,379	358,841	53,282	410,186	37,489	423,600
12. Tobacco ...	"	...	37,988	...	105,902	...	279,247	...	235,634	...	935,361	...	1,055,471	...	497,275	...	183,944	...	314,432	...	220,094	...	477,604
13. Fruit and vegetables	"	2,864	147,772	8,940	323,580	4,923	96,069	9,049	439,926	4,680,002	608,177	69,676	470,230	14,601	759,993	8,761	316,568	10,803	341,153	6,817	183,083	...	291,881
14. Cotton ...	Puds	...	507,348	...	385,722	...	439,226	816,147	2,512,395	1,265,512	4,615,507	299,424	1,891,876	130,717	627,350	125,490	492,564	133,062	736,355	163,345	818,075	134,484	731,284
15. " twist ...	"	79,089	187,253	63,910	107,633	75,029	135,391	26,147	346,100	41,020	463,516	38,445	649,283	46,755	530,436	44,439	683,408	31,084	516,868	40,428	667,018	27,435	485,960
16. Drugs ...	"	12,959	192,685	7,365	253,391	9,213	193,320	...	420,558	...	1,160,459	...	493,736	...	21,036	...	550,042	...	572,813	...	776,799	...	625,374
17 Cabinet work, &c. ...	"	...	24,868	...	16,891	...	23,018	...	29,250	...	23,102	...	32,312	...	170,082	2,068	12,484	...	14,207	...	20,654	...	5,550
18. Indigo ...	Puds	2,745	159,468	4,216	250,251	3,251	202,200	13,923	553,631	47,560	2,730,145	7,258	538,033	2,677	13,517	139	112,358	2,856	179,598	3,487	242,405	4,373	346,082
19. Cochineal ...	"	143	6,678	89	4,311	70	3,836	4,762	177,820	7,375	346,898	847	45,156	252	17,547	3,016	7,754	102	5,531	193	12,611	425	19,365
20. Madder ...	"	5,030	19,628	3,790	13,720	3,048	10,883	3,485	8,525	8,332	26,547	3,162	15,012	3,407	17,547	35,412	13,734	3,613	16,001	4,132	16,326	3,465	12,164
21. Sandal wood ...	"	53,567	51,213	37,181	36,059	30,668	30,602	50,195	67,755	393,484	470,815	111,801	157,129	69,180	82,687	...	35,769	41,375	63,455	62,543	98,838	51,822	93,297
22. Dye-stuffs ...	"	...	207,725	...	211,055	...	206,122	...	170,815	...	349,343	...	394,307	...	316,677	...	285,774	...	430,941	...	422,522	...	428,097
23. Metals, unmanufactured ...	Puds	23,062	51,065	38,230	78,386	19,927	53,541	75,221	197,499	330,104	798,797	85,561	230,359	18,272	39,854	24,864	52,679	25,751	55,581	30,961	65,217	21,596	39,732
24. Metals, manufactured	...	...	170,197	...	157,249	...	139,292	...	187,201	...	204,433	...	238,979	...	237,673	...	257,418	...	453,399	...	528,850	...	427,045
25. Coals ...	...	...	560	...	...	...	3,685	...	35,217	...	42,713	...	69,855	...	95,688	...	116,955	...	76,787	...	114,506	...	125,885
26. Silk ...	Puds	5,204	1,593,592	3,322	901,628	5,384	1,328,120	5,097	931,149	6,750	1,163,460	7,623	1,748,375	4,674	1,050,421	5,723	1,508,605	5,224	1,278,118	4,143	1,095,396	6,685	2,129,064
27. Wool ...	"	5,581	268,255	10,070	338,895	8,704	235,998	1,809	426,673	57,370	1,133,959	50,878	1,238,758	31,648	566,863	22,771	611,374	30,022	660,468	27,839	887,239	30,483	1,136,790
28. Manufactures of cotton ...	...	...	803,203	...	949,898	...	838,516	...	818,155	...	1,085,896	...	1,554,204	...	2,256,323	...	1,040,669	...	2,098,673	...	1,647,921	...	1,592,339
29. Manufactures of flax	...	...	723,675	...	636,410	...	678,194	...	509,140	...	735,843	...	1,359,931	...	1,333,239	...	818,822	...	999,204	...	1,168,118	...	1,114,628
30. " silk	...	...	2,398,103	...	2,721,936	...	2,562,144	...	2,442,832	...	3,405,882	...	4,221,774	...	4,567,503	...	3,151,025	...	3,564,544	...	1,946,827	...	2,564,441
31. " wool	...	...	331,918	...	513,556	...	514,982	...	464,482	...	678,021	...	962,532	...	2,051,319	...	1,557,283	...	1,705,711	...	1,619,151	...	1,749,953
32. Machines and models	...	...	772,359	...	545,982	...	601,297	.	294,334	...	362,255	...	635,480	...	1,213,775	...	1,159,439	...	1,439,932	...	1,391,837	...	1,310,907
Metals, manufactured:																							
33. Scythes and sickles .	Puds	11,891	74,113	8,470	49,037	8,358	56,282	,979	53,181	14,440	94,344	9,005	44,778	14,722	93,623	10,364	75,213	17,943	140,917	17,021	152,288	15,089	143,902
34. Sundry ...	...	...	369,428	...	367,475	...	356,953	...	438,626	...	494,471	...	582,374	...	677,658	...	627,311	...	797,574	...	801,174	...	720,787
35. Watches ...	...	...	455,873	...	496,349	...	474,074	. .	376,151	...	496,527	...	494,155	...	445,004	...	187,323	...	493,568	...	429,573	...	631,251
36. Precious stones and pearls ...	...	...	47,060	...	53,270	...	82,227	...	87,098	...	169,796	...	195,078	...	120,203	...	63,020	...	172,375	...	119,695	...	77,325
37. Printed books ...	...	...	110,330	...	159,789	...	117,557	...	350,648	...	432,851	...	279,440	...	302,905	...	342,176	...	488,677	...	470,909	...	430,812
38. Peltries ...	...	...	550,188	...	454,395	...	441,146	...	357,801	...	516,946	...	421,696	...	555,012	...	720,585	...	791,281	...	844,879	...	845,497
39. Sundry goods ...	...	...	1,778,878	...	1,799,822	...	2,788,123	...	1,755,556	...	2,990,086	...	3,540,622	...	3,059,815	...	2,745,112	...	3,566,018	...	4,574,117	...	4,169,492
40. Medicines ...	...	...	106,828	...	149,400	...	149,326	...	257,143	...	482,165	...	293,144	...	212,464	...	228,259	...	308,672	...	263,797	...	235,417
41. Lace and tulle ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	537,402	...	452,278	...	386,076	...	384,042
Total ...	...	...	13,938,860	...	13,728,314	...	15,444,040	...	20,139,610	...	42,930,424	...	33,498,871	...	25,860,571	...	21,559,296	...	25,143,179	...	25,114,290	...	26,180,415

* From 1851 to 1856, inclusive, the quantities of spirits, wine, &c., are shown in Russian statistics partly in oxhofts; these are here reduced into puds at the rate of 15 puds to an oxhoft. Beyond this, the observations made upon the Table of Exports apply equally to this Table.

(E.)

REVIEW of the Principal Imports into Russia in 1860 and 1861, showing the Quantity and Value of the Goods Imported, and the Amount of Duty levied thereon.

Numbers in Russian Tariff. (German edition.)	Description of Goods.	1860. Quantities.	1860. Computed Value.	1860. Average Price per Centner in German Thalers.	1860. Amount of Duty levied.	1861. Quantities.	1861. Computed Value.	1861. Average Price per Centner in German Thalers.	1861. Amount of Duty.
		Puds.	S. R.		S. R.	Puds.	S. R.		S. R.
93	Coffee	374,705	3,752,101	33	931,837	355,608	3,908,924	36	883,805
96	Sugar, raw	946,295	4,620,744	16	2,775,999	1,075,877	5,263,829	16	3,151,440
130	Syrup	23,173	57,091	8	23,173	18,535	40,997	7	18,535
115 a	Wine, in casks	701,865	5,486,025	26	1,473,916	685,723	6,004,432	29	1,440,019
115 b	„ sparkling, in bottles	855,889 B.	1,938,300	2½ Pr. B.	770,300	841,398 B.	1,907,520	2½ Pr. B.	757,258
132	Cheese	31,370	470,218	49	153,531	34,956	481,601	45	170,702
131 a	Tobacco, unmanufactured	127 908	2,735,265	70	767,447	144,611	2,796,462	64	867,667
131 c	„ cigars	2,884	663,639	758	230,732	3,360	869,594	853	268,822
134	Cotton, raw	2,610,591	19,108,298	24	652,648	2,491,388	20,682,098	27	622,847
135	„ yarn, white	115,599	2,370,819	68	404,596	102,612	2,639,758	{ 85 }	359,141
136	„ „ coloured	15,303	483,168	104	76,514	15,952	558,202	{ 115 }	79,765
137	Indigo	39,413	4,048,733	339	134,346	46,444	5,307,426	377	157,995
170 a	Hides, dressed, small	2,682	127,777	157	26,821	4,363	221,888	168	43,633
170 b	„ „ large	2,288	40,578	58	9,151	5,920	74,053	41	23,679
174	Linen yarn	9,936	179,412	60	29,808	8,808	140,399	53	26,424
176	Iron, in bars, of ½-inch, and above ...	439,405	635,903	5	154,083	292,186	395,728	4½	102,265
177	„ manufactured	93,393	209,872	7½	42,027	105,670	198,831	6	47,551
184	Oil, wood oil, in casks	852,452	6,159,040	24	1,554,610	839,215	6,647,177	26	1,528,528
196	Wool	1,454	10,030	23	582	18	291	53	7
197	Woollen yarn	85,413	3,447,202	133	341,653	95,774	4,382,454	151	383,096
213	Cotton goods, close, not printed	41,805	2,192,010	173	626,069	40,031	2,242,581	185	604,723
214	„ „ printed	25,465	1,530,973	198	689,706	25,326	1,538,458	200	685,325
215	„ light, not printed	2,064	234,149	374	82,554	2,009	239,300	393	80,341
216	„ „ printed	978	104,837	353	54,754	1,015	100,647	327	56,843
219	Linen goods, fine, batiste, &c.	230	55,256	792	11,514	213	50,340	779	10,662
221	„ tablecloths, &c.	2,433	178,079	241	65,786	2,656	172,206	214	71,717
226	Silk goods, not transparent	3,894	2,299,969	1,947	624,708	4,676	2,750,540	1,939	748,116
228	„ transparent	91	73,676	2,668	25,494	94	66,315	2,325	26,201
229	Mixed silken goods	3,083	1,063,348	1,137	246,640	3,303	1,091,836	1,089	264,274
232	Woollen goods, milled, cloth, &c.	880	133,823	501	49,290	1,033	157,867	504	57,847
233	„ trouserings	2,512	243,384	319	80,394	1,346	146,096	358	43,047
237	„ unmilled, close, not printed	15,282	1,061,070	229	330,334	16,589	1,170,110	232	356,987
238	„ „ „ printed ...	529	46,083	287	15,513	906	83,311	303	27,440
239	„ unmilled, light, not printed	3,624	383,580	349	173,962	4,616	519,450	371	221,581
240	„ „ „ printed ...	629	99,065	519	40,250	626	88,245	465	40,037
302	Iron and steel goods	146,391	757,500	17	146,391	141,272	667,093	16	141,272
304	„	53,855	368,740	23	80,783	36,997	284,283	25	55,496
307	„	119,038	974,332	27	47,615	112,396	1,010,268	30	44,958
308	„	1,294	74,217	189	20,697	1,156	59,885	171	18,510
309	„	90,022	930,741	34	65,842	94,827	1,057,362	37	70,459
30	Coals and turf	—	2,955,174	—	—	—	2,361,319	—	—
36	Machinery and models	—	8,526,653	—	—	—	8,601,174	—	—
86	Rice	248,789	845,549	11	122,219	257,564	976,282	12½	127,264
94	Pepper	54,186	403,878	25	121,372	38,429	287,051	25	84,286
98, 101	Fish, salted, dried, and smoked	—	3,663,533	—	345,598	—	3,241,988	—	275,066
104, 112	Fruit and vegetables	—	4,673,450	—	833,115	—	4,969,979	—	933,573
113	Arrac, rum, cognac	41,043	741,369	60	318,081	38,495	749,370	64	298,337
116	Porter	{ 36,980	192,382	17	88,751	39,257	270,808	23	94,216
		{ 468,150 B.	378,426	3 Pr. B.	93,630	443,109 B.	339,548	3 Pr. B.	88,622
126	Salt	9,069,795	4,464,479	1½	1,936,282	8,971,743	4,717,803	2	1,884,379
152	Cochineal	12,600	670,409	175	30,242	13,344	617,036	152	32,027
153	Dye-wood, extracts of	98,555	1,587,458	53	155,745	120,248	2,068,952	57	189,508
158	Madder	73,678	561,548	25	36,839	50,183	384,332	25	25,091
187	Silk, raw	2,010	561,753	921	804	423	128,188	999	169
188	„ spun	3,491	1,080,326	1,020	16,812	6,707	2,372,643	1,166	30,075
356, 366	Peltries	—	2,066,373	—	254,665	—	1,834,098	—	249,362
	Other articles	—	33,171,443	—	4,486,104	—	32,811,882	—	4,394,075
	Tea (imported by the Russian-American Company)	—	?	—	19,406	—	?	—	185,288
	Total	—	135,893,249	—	22,891,735	—	142,750,300	—	23,450,353
	Imported from Asia—								
	Tea	461,902	6,894,746	49	6,039,335	508,406	7,300,570	47	4,570,271
	Other articles	—	14,226,913	—	1,116,272	—	14,838,770	—	1,076,989
	Grand Total	—	157,014,908	—	30,046,342	—	164,889,640	—	29,097,613

(F.)

(1.)—Trade of Russia with Countries in Europe, in the Years 1860 and 1861.

States.	1860.		1861.	
	Imports.	Exports.	Imports.	Exports.
	S. R.	S. R.	S. R.	S. R.
Sweden	77,682	1,108,539	88,761	2,463,673
Norway	2,266,145	882,965	1,998,273	1,047,663
Prussia	25,114,290	19,928,855	26,180,413	19,995,326
Denmark	102,868	4,472,816	92,450	1,981,939
Hanseatic Towns	11,315,744	4,559,235	11,252,406	3,980,891
Other German States	186,474	703,312	469,986	1,263,293
Holland	6,913,187	9,887,162	7,420,063	9,134,192
Belgium	1,739,036	2,231,985	1,414,684	2,578,313
Great Britain	43,619,308	85,006,206	47,730,594	76,323,278
France	10,781,655	12,070,906	12,019,338	20,012,046
Portugal	1,102,331	318,151	1,499,855	464,742
Spain	2,005,579	4,256	2,239,275	51,606
Italy	5,433,997	3,852,459	5,091,129	3,761,913
Austria	7,922,819	6,064,396	7,960,257	5,813,283
Ionian Islands	425,599	42,435	295,547	86,646
Greece	331,526	109,578	513,268	193,981
Turkey	6,765,828	8,410,157	6,108,870	6,736,869
Moldavia and Wallachia	1,725,854	3,195,617	1,919,081	3,119,331
United States of America and South America	5,526,403	2,250,781	5,841,135	638,000
West Indies	2,089,195	..	2,237,268	..
Other Countries	447,729	83,985	377,647	213,314
Total	135,893,249	165,183,796	142,750,300	159,860,299

(2.)—Customs Receipts in Russia in the Years 1860 and 1861.

(From Russian Returns.)

	1860.		1861.	
	S. R.	S. R.	S. R.	S. R.
Import duties—				
On the European frontier	..	22,891,735	..	23,450,353
On the Asiatic frontier	..	7,154,607	..	5,647,260
Total	..	30,046,342	..	29,097,613
Export duties—				
On the European frontier	2,084,324	..	1,874,407	..
On the Asiatic frontier	30,641	..	25,789	..
		2,114,965		1,900,196
Shipping dues	..	521,585	..	494,512
Total	..	32,682,892	..	31,492,321
To which add—				
5 per cent. on certain articles	..	1,111,862	..	1,119,319
Excise on Crimean salt	..	672,228	..	942,722
Sundry additional duties	..	742,834	..	775,032
Total	..	35,209,816	..	34,329,394

The Principal Items of the Duties were—

	1860.	1861.		1860.	1861.
	S. R.	S. R.		S. R.	S. R.
Tea, including importation from Asia	6,058,700	4,755,600	Tobacco	1,014,300	1,148,000
Sugar, raw. Imports from Europe .	2,852,600	3,192,900	Coffee	931,800	883,800
Wine	2,305,000	2,256,900	Linen and hemp tissues	607,400	631,300
Salt	1,936,300	1,884,400	Cotton, raw	652,600	622,800
Cotton tissues	1,503,500	1,501,800	Iron and steel goods	580,000	565,600
Woollen, ditto	1,182,800	1,269,800	Cotton yarn, white	404,600	359,100
Silk, ditto	1,062,500	1,226,600	Total	21,092,100	20,298,600

(3.)—Table for the Reduction of Silver Rubles per Pud and per Pound into German Thalers and Silvergroschen per Zollverein Centner.

(1 Pud = 32·761 Zoll. pfund; 100 Russian pounds = 81·9023 Zoll. pfund; 1 Silver ruble = 1 th. 2 sgr. 4⅔ pf.)

Per Pud.	Per Centner.	Per Pud.	Per Centner.	Per Pud.	Per Centner.	Per Pound.	Per Centner.	Per Pound.	Per Centner.	Per Pound.	Per Centner.
S. r. c.	Th. sgr.	S. r. c.	Th. sgr.	S. r. c.	Th. sgr.	S. r. c.	Th. sgr.	S. r. c.	Th. sgr.	S. r. c.	Th. sgr.
0 10	0 10	1 50	4 28	5 50	18 4	0 3	3 29	0 55	72 15	1 50	197 22
0 20	0 20	1 60	5 8	6 0	19 23	0 6	7 27	0 60	79 3	1 60	210 27
0 30	1 0	1 80	5 28	7 0	23 21	0 8	10 16	0 65	85 20	1 80	237 8
0 40	1 10	2 0	6 18	7 75	25 16	0 10	13 5	0 70	92 8	2 0	263 19
0 45	1 14	2 30	7 17	8 0	26 11	0 15	19 23	0 75	98 26	2 40	316 11
0 50	1 19	2 40	7 27	9 0	29 20	0 20	26 11	0 80	105 14	3 0	395 14
0 60	1 29	2 50	8 7	9 50	31 9	0 22½	29 20	0 84	110 22	3 50	461 11
0 70	2 9	3 0	9 27	10 0	32 29	0 25	32 29	1 0	131 25	4 0	527 8
0 75	2 14	3 50	11 16	11 62½	38 9	0 30	39 16	1 5	138 12	5 0	659 3
0 80	2 19	4 0	13 6	15 50	51 26	0 35	46 4	1 20	158 6	5 25	692 2
0 90	2 29	4 50	14 25	16 0	52 22	0 40	52 22	1 25	164 23	6 0	790 28
1 0	3 9	5 0	16 14	20 0	65 28	0 45	59 9	1 40	184 16	7 0	922 22
1 25	4 4					0 50	65 27				

PART IV.

Answers from Commercial Bodies in Russia to the Memorandum of the German Commercial Congress.

*Answers from Commercial Bodies in Russia to the Memorandum of the German Commercial Congress.**

Translation.

By T. Michell.

I. Opinion of the Exchange Committee of Riga.
II. Opinion of the Exchange Committee of St. Petersburg.
III. Opinion of the Council of Commerce of Rostoff.
IV. Opinion of the Council of Commerce of Odessa.

I. Opinion of the Exchange Committee of Riga.

Introduction.

THE Memorandum on the conclusion of a Treaty of Commerce between Russia and the German Zollverein, drawn up by the Permanent Committee of the German Commercial Congress, owes its origin to the repeated representations of the Chambers of Commerce in the German Provinces bordering Russia. The representations of those Chambers were renewed on the occasion of the Treaty of Commerce concluded between Prussia (in the name of the Zollverein) and France, on the 2nd August, 1861. The Memorandum speaks of it as follows: "Such a Treaty (with France) must of itself direct, more than ever, the attention of the commercial and industrial classes of Germany to the existence on the north-eastern boundary of the Zollverein, of a very extensive commercial region, where the natural and prosperous course of international trade meets in a prohibitive and protective system the greatest hindrances and difficulties, from which no foreign country suffers so much as Germany."

The Zollverein, therefore, wishes to strengthen its position on the side of Russia in case the benefits to the trade and industry of Germany anticipated from the Treaty with France should not be realised. Indeed, the Zollverein has no reason to fear the influx of foreign goods if a channel be opened for them in the extensive country beyond. But Russia has not the means of relieving herself of any excess of importation, for the productions of European industry, adapted to the wants of civilised people, find no markets in Asia. In their political and social relations, as well as in their tastes and habits, Asiatics are highly Conservative, and all attempts at engrafting on them the civilisation of Europe have hitherto met with insuperable obstacles in that strong attachment to the mode of life and its necessities which they inherit. In consequence of her geographical position, Russia cannot relieve herself of any excess of importation; everything that has once reached the innermost parts of such a vast country cannot return without considerably enhancing the price of the article, and, therefore, everything that is imported must remain in it. But were Russia to be constantly explored by the crises attending excessive production, which are now of such frequent occurrence in the west of Europe, her industry would eventually be destroyed to its very foundations, and for a long period.

When, therefore, the Memorandum endeavours repeatedly to assure us that the motives which should induce Russia to quit her state of "commercial isolation," and to agree to the proposed Treaty, do not consist in concessions to foreigners, but are to be

* Denkschrift betreffend den Abschluss eines Handels- und Zollvertrages Zwischen den Staaten des Deutschen Zollvereins und Russland. Den hohen Deutschen Regierungen eingereicht vom bleibenden Ausschusse des Deutschen Handelstages. Berlin, Februar 1864.

found solely in her own interests,—when we are thus assured, we cannot but strongly advise the Russian Government to examine carefully the Danaë-like gift of a Commercial Treaty, before it comes to a conclusion, on which nothing less than the entire material existence of Russia would be staked.

The Germano-Russian Treaty is proposed as a sequel to the Anglo-French Treaty of 1860, and to the Franco-German Treaty of 1861, *i. e.*, to Treaties concluded between countries which have attained the same degree of culture. If then, the Memorandum, at the latter part of the introduction, could not deny an extreme diversity in existing conditions, the question naturally arises, should not Russia follow a national commercial policy, conformable to that diversity of condition, instead of throwing herself into a cosmopolitan movement, which in any case presupposes an equality in the social and industrial condition of the competitors. The idea of free trade is far from being a modern discovery; it has long been taught; but why have the States of Western Europe only so recently found it possible to make concessions to it? Why do they desire that Russia should step over that phase of development in the industrial education of her people, at which the countries of Western Europe considered it necessary to halt before proceeding to change the system?

I.

The first section of the Memorandum contains an historical review of the development of the Russian Customs Tariff. It is there stated, that prior to 1823, the fiscal system of Russia was relatively liberal, but that the Tariff of that year laid the foundation of a most strictly prohibitive system, which created an artificial manufacturing industry, to the prejudice of the natural, indigenous industry of the husbandman. That system, it is said, has led to the enrichment of some privileged manufacturers, but the products of the factories remain bad and dear, while the export trade has been weakened; the Tariffs of 1850 and 1857 only made inconsiderable changes, so that the Russian Tariff, to this day, is very inimical to the interests of trade, and causes the commercial isolation of Russia.

This review has the appearance of a mis-statement of facts, although perhaps unpremeditated. If we study impartially, and with the assistance of reliable documents, the historical progress of the economical development of the Russian Empire from the beginning of the present century, we shall obtain a result essentially different from that presented in the Memorandum. Fifty years ago, during the existence of the Continental system, while Russia was chiefly an agricultural country, with a comparatively inconsiderable industrial activity, the necessity of a gradual emancipation from foreigners by means of developing a native industry became very apparent. The development of industry, called forth and encouraged by the Government with that object, received a severe blow, when, at the reestablishment of peace, the commercial policy of Russia attempted to follow the principles of free trade. Russia made the same experiment as the United States, where each period of free trade policy terminated in a financial crisis and a general bankruptcy.* England restricted the importation of corn to please the aristocracy, and the importation of timber in the interests of Canada, while at the same time she deluged Russia with her manufactures. In a circular dated 1821, Count Nesselrode announced that "Russia is forced to establish a system of independent trade; the products of the Empire no longer find markets abroad; the manufactures of the country are much oppressed; the specie is rapidly flowing to distant countries; the most solid commercial houses are in danger; and agriculture and trade, as well as manufacturing industry, have not only been weakened, but are even on the verge of bankruptcy." The ultra-protectionist commercial policy of England, which resulted in making the other Powers of Western Europe follow her example, likewise compelled Russia to change her system. Count Cancrin recognized the necessity of giving industry, trade, and agriculture, such a direction as would lead Russia, by means of her own exerted labour, to an independence of all foreigners, and which would, at the same time, balance more equally her growing powers of production with the national consumption. If the previous system had compelled the Russian people to depend exclusively on the industrial activity of foreigners, Count Cancrin now saw, in an incentive to *independent labour*, the highest condition of the economical progress of Russia, and the Tariff of 1823 founded, not "the strictest prohibitive system," as stated in the Memorandum, but a protective system well adapted to circumstances, and most happily organized. Foreign capital and talent flowed from every civilized country into Russia, to call there into life an industry which has had the most durable effect on the national welfare. Millions of workmen found profitable employment in factories; and agriculture, far from suffering, confirmed once more the experience of all the civilised countries of Western Europe, that a rational system of husbandry is inseparable from a progressive and varied industry. It is,

* Carey. The "Principles of Political Economy," Trans., by Dr. Adler, Munich 1863. Preface, pp. 39–42.

indeed, in the manufacturing provinces that agriculture has made the most rapid strides, and the exportation from Russia has increased yearly in a rapid progression, as will be seen from the following official data:—

	Rubles.
1822	50,427,900
1832	66,381,700
1842	82,225,400
1852	112,474,600
1862	177,473,700

The imports increased in the same ratio:—

	Rubles.
1822	41,637,500
1832	51,422,600
1842	82,975,600
1852	99,767,800
1862	156,728,300

The protection of native industry has thus no unfavourable influence on trade; on the contrary, the capabilities of Russia, in the direction of international trade, have grown with the development of her home production and interior trade.

To this we must add a circumstance which not only had importance when the protective system was introduced, but which must be taken into consideration in the future; and this is the *climatic* peculiarities which demand the combination of manufacturing industry with agriculture, in order to give employment to the working classes during the long period when field labour is suspended. Even Tengoborski,* the champion of Free Trade, was obliged to acknowledge the importance of this consideration. "Or, quelle perte de forces productives et quelle cause d'appauvrissement n'en résulterait-il pas, si, à défaut de toute industrie, sur les 60,000,000 de population de la Russie d'Europe, plus de 50,000,000 restaient inoccupés pendant les six ou sept mois de chomage des travaux agricoles! Ce sont des motifs qui militent en faveur de nos intérêts industriels, et c'est cette situation particulière à la Russie, jointe à l'abondance et à la variété de nos produits, ainsi qu'à l'intelligence naturelle et, pour ainsi dire, instinctive de notre peuple, qui a donné la première impulsion à notre industrie et lui a imprime un cachet particulier et en quelque sorte national." The secret cause of the poverty of all purely agricultural States is here explained.

That our manufactures, notwithstanding the protection they have enjoyed, have remained dear and bad, is a statement entirely unfounded; the impartial judges who awarded the prizes at the great Exhibitions of modern days where Russia competed with the whole world could not but recognize the excellence of Russian manufactures, and did so in a very fair proportion.†

It is no less unfounded to affirm that the Russian Government has kept to this day, with unimportant alterations, the Tariff of 1823. The Government has, on the contrary, consistently striven to give a greater scope to international trade by lowering the Tariff, as far as that was possible, without prejudicing the interests of native industry. By changes introduced in 1830, 1850, 1854, 1857, 1861, and 1863, goods formerly prohibited, were allowed to be imported on payment of a moderate duty; the duties previously levied on imported goods, principally of Colonial origin, were considerably lowered; and lastly at the beginning of last year, *all* the export duties, with very few exceptions, were abolished.

These gradual reductions of the Tariff enabled our home industry to attain that strength which, as an important factor in the economical life of a nation, acts so variously

* "Les Forces Productives de la Russie," vol. ii, p. 195.

† At the London Exhibition of 1862, out of 585 Russian Exhibitors, 305 received awards. The per-centage of exhibitors of various countries who received medals, or were honourably mentioned, is shown in the following Table:—

	Medals.	Hon. Men.	Total.
Austria	35·06	26·06	62·02
Belgium	33·84	27·49	61·33
Russia	*30·25*	*18·08*	*49·05*
France, with Algeria and the Colonies	29·37	18·08	48·17
Prussia and the Zollverein	27·88	20·45	48·33
Portugal and its Colonies	15·00	22·64	37·64
Sweden	18·42	19·08	37·05
Brazil	20·04	16·52	36·52
Italy	14·14	13·66	25·07
Spain and its Colonies	8·25	9·24	17·49

If these figures do not express the industrial development of the countries compared, they nevertheless show the vitality and power of the manufacturing industry of Russia (Report on the London Exhibition, St. Petersburg, 1863.)

on its well-being. According to Tengoborsky (vol. iii, p. 264), the manufactories of Russia ten years ago produced on an average to the extent of 500,000,000 rubles per annum, and constantly employed as many as 6,000,000 labourers; deducting 175,000,000 as the value of the raw materials, the annual increase of the national wealth afforded by Russian manufactories amounted to 325,000,000 rubles. But the manufacturing power of Russia can only be preserved if the Government will avoid all commotion in its mercantile policy, and will adopt the system of a *gradual* reduction of Custom-house duties.

II.

The second part of the Memorandum is devoted to some more formal deficiencies in the Russian Tariff, and endeavours to prove its assertion of the "hostile" character of the Tariff by a Tabular comparison of the Custom-house duties in Russia and the Zollverein.

We have nothing to say against the adoption of the metrical system of weights, the reduction of the number of classes in the Tariff, the substitution of specific duties for those charged *ad valorem*. More perfect regulations respecting the computation of tare, and the simplification of the formalities connected with the importation of goods not specified in the Tariff, are likewise desirable. The Memorandum next proceeds to discuss a very important question, which it evidently mentions almost unwillingly, and which it dismisses as speedily as possible, viz., the question of *differential duties by sea and by land*. It solves the question by giving advice similar to that which most German markets are ready to afford, viz., to retain the lesser duty on importation by land.

The motives of such a desire, which we can well understand, define well the point of view taken by the Memorandum, and this is still further evident where the abolition of the privileges of the land-frontier, and the bringing the maritime harbours into a normal state with reference to trade, are termed "a change with which the Zollverein can decidedly not co-operate, and with which it has not the slightest sympathy." The advantages now afforded by the Custom-house regulations to the land frontiers of the Empire by a considerable diminution of the duties levied at seaports were, to a certain extent, justified while the importation by land was accompanied, not only by considerable expense, but also by a loss of time and by risks of various kinds; the Government considered itself bound, under the circumstances, to afford compensation by lowering the duties in favour of those portions of the Empire which, from their geographical position, could only make use of the land frontier for their commerce. This one reason for the existence of differential duties no longer exists, since, by the construction of railways to Prussia and Austria, commercial relations by land have become equalised with those by sea. The encouragement of the overland traffic may greatly prejudice the Russian ports in the Baltic. As the sea-carriage to the Prussian harbours nearest the Russian boundary lessens to a minimum the expense of carriage by rail, therefore, in consequence of the reduction of duties in favour of the land-frontier, the strange anomaly arises that the Russian colonial trade cannot make use of a Russian port, and is obliged to have recourse to one of the nearest Prussian harbours. The differential Customs duties are therefore only calculated to afford protection to the maritime trade of Prussia.

The internal trade in products shipped by the ports in the Baltic must likewise suffer from the protection afforded to the land frontiers, for the bulky produce of the country requires the employment of large vessels; but as the imports are principally brought in overland, and as a great part of the vessels are therefore obliged to come in ballast, not only is the rate of freight thereby raised, but it occasions a want of vessels, which impedes exportation. This is, at the same time, one of the reasons why, notwithstanding favourable conditions, there is no great increase of shipping in the Russian ports in the Baltic. It is entirely paralyzed by the protection of the land-frontiers, and must eventually be reduced to the condition of an insignificant coasting trade. Science* having long since condemned differential duties, and all foreign legislation on Custom-houses having abolished them, *the Government of Russia may very well remove them.*

The Memorandum, in mentioning only the differential duties levied on the land and sea-frontiers, is silent on the existence of *differential duties between ports in the same maritime province,*—evidently the weakest point in the Tariff, but one which German commerce has no interest in seeing removed. To the differential duties of the latter class belongs the duty on salt, which varies in ports of the Baltic neighbouring each other, and where the quantity imported is either limited or unlimited. This inequality in the imposition of duties at the several places where it is imported has a prejudicial effect on the home markets; the merchant is unable to calculate correctly the quantity of salt

* W. Beer. "Die Gefahren der Differentialzölle," 1848. W. Dönniger. "Die Differential-Zollfrage," 1848

required for consumption, so that the storing of that useful commodity is entirely left to accident. We may confidently expect that when the Tariff is revised this injurious differential duty will be the first to disappear from it. The same should be done with those regulations by which *the importation of certain goods through some of the Custom-houses of the Empire is entirely prohibited.* Those goods are, in consequence, obliged to travel in a circuitous manner, and only reach their destination after the most disproportionate expense, and an irrecoverable loss of time—an anomaly which no other Custom-house regulations present, and for which no valid reason can be traced.

In comparing the articles liable to duty in the Zollverein and in Russia, the Memorandum takes as a basis the average prices of Hamburg, because the average prices adopted in Russian commercial statistics in calculating the value of imports are almost in every case too high. The relative figures are thus represented by an excessively high per-centage, but the Memorandum takes no account of the fact that Hamburg has almost no industry of her own, and therefore imports heavy, common, and mostly very cheap goods, whilst Russia receives from abroad manufactures which are principally of a lighter and finer kind, the lower qualities being manufactured at home. The official Returns of Trade are at any rate nearer the truth than the suppositions of the Memorandum. Further, the Memorandum extracts 80 out of 367 articles in the Russian Tariff, out of which 20 are merely liable to fiscal duties. No mention whatever is made of the numerous articles in the Russian Tariff which pay less duty than in the Zollverein, and of many others which are free in Russia, and subject to very heavy duties in Germany.

We cannot, however, avoid saying that a reduction of duties on many articles of importation is desirable, viz., those on colonial goods, raw materials, and half-manufactured articles required by the manufacturing industry of the country, and generally a reduction of duties on all such articles which, from climatic or other causes, cannot be produced in Russia. Should the Government desire to revise the Tariff in that sense, it would be well to appoint a Commission for the purpose, composed of representatives of the Board of Trade and of manufacturers, and of deputies from all the principal commercial centres and manufacturing districts of Russia. The leading principle of such a revision should be the *absolute equality of all foreign nations* with reference to the international trade of Russia, for the only commercial policy worthy of such a great Power is that which avoids all separate Treaties with separate States.

III.

In the 3rd section the Memorandum condemns the additions made in 1858 and 1861 to the duties on some articles of the Tariff. The reproach is perfectly well-founded, for a sudden and unexpected increase of duties disturbs the calculations of the mercantile classes, and subjects them to much loss and difficulty. If the merchant is to base his calculations on the Tariff, that Tariff should remain unchanged from one revision to another; and should any special reason during that interval induce the Government to make any alterations in the Tariff rates, they should not be carried into effect until at least six months have elapsed after the notification of the change, in order that the transactions effected on the basis of the previous duties should be completed without loss to either of the interested parties.

The observations respecting the onerous nature of the Custom-house formalities and other impediments to trade we recognize as no less just and well-founded; but we are bound to record that the Board of Customs has recently endeavoured, with much success, to simplify the transaction of business at the Custom-house; and if these reforms are continued in the same spirit, they will soon place the trade of the country in a state which will accord with the interests of the mercantile classes. The principal drawbacks of the present system consist in the *minute control* and in the *centralisation* which take from the Custom-houses every shadow of independence, and thus compel the merchant to apply to the Minister of Finance in the most trifling cases.

The Memorandum proceeds to review critically other branches of the administration and legislation of Russia, and ignoring the many reforms which have either been commenced or completed in those Departments within the last few years, it discusses *inter alia* the system of guilds, the mode of legal procedure, the law relating to bills of exchange, the Post-office, and the water-ways of the Empire.

The old guild laws were completely altered by the Ukase of the 1st of January, 1863, and the observations of the Memorandum on that point are consequently out of date. The new commercial law is certainly very deficient in many respects, but we cannot but confess that the present classification of trades approaches to a rational system of taxation in proportion to the capital employed.

The reform of the law, on a modern basis, was sketched out by Imperial Ukases of the 29th of September, 1862, and 20th of November, 1864.

An excellent draft of a law on bills of exchange, founded on the law of Germany, has been prepared, and will doubtless soon receive the Imperial sanction; but we perfectly agree with the proposition that even in the interest of the Exchequer it is necessary to reduce the excessively high scale of stamp duties now levied on bills, and to simplify as much as possible the regulations respecting the use of stamped paper. It would also be very convenient to adopt the Belgian system, lately introduced into Finland, of having bill stamps similar to postage stamps.

The Post-office, by the introduction of stamps for the prepayment of foreign letters, and other improvements, has likewise shown a readiness to advance; but much is still to be desired in that direction, and the observations made on this subject in the Memorandum are worthy of a certain amount of attention.

The very important question of the establishment of water-ways has been almost in entire abeyance, since all the attention of the Minister of Public Works has been directed to the construction of railways. A careful, energetic, and continued prosecution of such works would not fail to have a beneficial influence on the development of the home and foreign trade of the Empire. The difficulties to be surmounted are all the less considerable, since the Government has a very large source of revenue in the dues* levied on rivers and canals, and which, judiciously employed, might actively co-operate in the perfection of a branch of the administration which has of late been neglected.

IV.

The 4th section of the Memorandum contains a detailed exposition of the reasons which should induce the Russian Government to make a radical revision of the Customs Tariff.

Setting aside all superfluous phraseology and embellishments, the gist of this section may be expressed as follows:—

The construction of railways and the emancipation of the serfs cannot promote the economical progress of the nation except under a system of free trade with foreign countries. The national welfare will be increased as soon as free capital, instead of seeking investment in privileged factories, shall be directed towards agriculture; the reduction of the Tariff will lessen the contraband trade; and lastly, the adoption of the principles of free trade will tend to establish the credit of Russia, and will lead to a happy solution of the question of the standard of value.

The opinion that Russia at her present stage of development, and *in her own interest*, should cease to protect her national labour, can find no sufficient authority either in science or history. Modern science has defined the true meaning of the words "free trade," which only obfuscate the mind.

Wappeus† says—

"Although freedom of trade is an ultimate object," yet it can only be "attained when a natural and rational division of labour shall have been established amongst all countries; when each nation shall have learnt to buy in the cheapest markets, and when international commerce shall have resumed its primitive form of barter. But while there is only a gradual approach to such an object, which, until History shall have run its course, is as little likely to be fully attained as the last discovery in Science, until then we cannot exclude legislative measures for the direction and education of material activity and trade. They are even indispensable, and the whole matter consists in this, that in the application of those measures, the *special personal* vocation of the country, determined by its geographical position, should not be lost sight of. The wisdom of commercial policy consists in a proper understanding and following out of the *special* vocation, in conjunction with a general development of civilization, &c."

The same writer‡ further observes on the system of absolute free trade:—

"This system, which desires to apply one and the same principle to all countries, loses sight of the geographical element; for *each special vocation, each individual nature, necessarily requires a special development and education.* Thus, in demanding a *national* commercial policy, we likewise demand, together with a recognition of the individual economic vocation of a nation, a special support of all that is requisite for the fulfilment of that vocation, and the removal of everything that may impede or harm it, *i.e., protection* is

* The dues yield 400,000 rubles (53,000*l.*) annually, out of which a capital of 6,000,000 rubles (800,000*l.*) has already been formed.

† "Gelegentliche Gedanken über Nationale Handelspolitik," p. 14.

‡ Idem, p. 21.

indispensable. That support and protection are determined by the *development attained by a people at a given moment*, and the genius of a true statesman, as distinguished from that of a theorist, consists in this very determination of the national development in relation to its special vocation, for having once ascertained the special requirements of the nation, he promotes its further natural development.

Kiesselbach* speaks in the same sense:—

"It cannot be denied that individuals buy in preference there where they can obtain the same article at a lower price. A restriction of the importation of a certain class of goods by means of heavy Customs duties inflicts on the present generation, viewed from the point of separate families, an extra expenditure, while the satisfaction of these requirements always remains equal; that expenditure represents the difference between the home and foreign cost of production of the articles consumed. But if the nation be viewed, in respect to its economic life, in its *entirety*, the extra expenditure inflicted by Custom-house protection, represents the capital employed in its industrial education, which will not only yield good interest, but will gradually be repaid in full, like any other common investment."

L. Stein, one of the most celebrated economists of the present day, discusses very thoroughly and profoundly the question of protection to industry.† He says, among other arguments‡:—

"The application of protection on the basis of the general principles of the development of economical life is not so simple and natural as the demand for protective duties. But the relations of capital at home and abroad are so various and are so frequently difficult of determination, and the raising of the price of certain products, by means of protective duties, appears to such a great extent the sole interest of separate, distinct branches of industry, that no part of the national economy gives rise to so much dispute as the imposition of protective duties in favour of the industrial market. It should, however, be borne in mind, that of all the available means for promoting the economical interests of a people, none admit of such general and decided application as that of protective duties. The reason of that is, that in the simplicity of the principle on which they are founded, that of *equalising differences in the productive power of capital*, all doubt is radically removed, for it is organically indispensable and appears most natural."

Lastly, we may here indicate the work of Carey, "The Principles of Political Economy," forming, as it does, an era in the science of political economy, and which describes very clearly the consequences of the theory of an absolute freedom of trade, and which is capable of destroying for ages the illusions raised by such a theory.

We may now ask what history says on the subject? It says, first of all, that *States whose trade with other States in a higher state of culture met with no impediments, were rapidly distanced by those States which subjected foreign trade to certain restrictions with the view of protecting native industry.* The Navigation Act of Cromwell laid the foundation of the greatness and supremacy of *England;* and although the theory of free trade was first preached on English soil, yet it was only a few years since that England abandoned her strictly protective system, after bringing her agriculture and industry to the highest state of development. The protective system of Colbert had the same effect in *France*, before the revocation of the Edict of Nantes expelled the most active portion of the population out of the country, causing French industry to suffer greatly during the whole of the eighteenth century. That ill-advised measure was rectified by the Continental system, although the object of the latter was chiefly political; and even after the Restoration, France considered it necessary to protect her productions against unequal foreign competition. As regards the Anglo-French Treaty of 1861 (which to some extent makes an approach to a system of free trade, and which, as far as France is concerned, originated in dynastic rather than economical considerations), although the productive powers of the respective countries present a more equal relation than those between other countries, yet whether that Treaty will be advantageous to France or not, is to be seen in the future. To draw conclusions from the results of two years, as the Memorandum does, appears in any case a very bold venture.

The productive power of *Germany* owes the strength which now enables it to compete with England and France chiefly to protection, and also to considerable State subsidies, which created the most important branch of production—its iron industry.§

* "Die Continentalsperre," pp. 32 and 33.

† "System der Statistik, Populationistik und der Volkswirthschaftslehre," 1852, pp. 524–62.

‡ Idem, p. 543.

§ If Russia had followed the example of other European countries in protecting the iron trade, she would not now be obliged to import from abroad all her railway stock, whereby the construction of railways is so very expensive and so much retarded. In the whole of the empire there are only 139 mechanical works, which produce to the extent of 8,500,000 to 9,000,000 rubles (1,200,000*l.*); but the importation of foreign machinery is equal to the same amount.

Spain and Portugal, on the contrary, once the richest countries in the world, are now striking examples of what a sacrifice of industrial independence leads to. The Commercial Treaties which those countries concluded with England have made them, in respect to industry, completely the tributaries of Great Britain.*

The history of Russia can show no such wholesale measures in preservation of native industry as the Navigation Act, the Corn Laws, and the Continental system. Russia has constantly endeavoured to follow a protective system only as far as it appeared absolutely necessary for the development of her national activity. It seems, therefore, strange that the Memorandum should attempt to frighten Russia by a phantom of "commercial isolation," if she does not at once determine to entangle herself in the experiments in commercial policy now being made in Western Europe. The development of industry to the degree of perfection which it has attained in Central and Western Europe has been hitherto opposed in Russia by two causes—*the want of ways of communication and of free labour.* The Government has only just begun to remove those shackles of civilization; the reforms which are consequently required have been partly carried into effect, and can only manifest their civilising action on the economical and social condition of the country in the future. To leave the defenceless industry of Russia to its fate in a struggle with the West, without waiting for the effects of those reforms, would only render the result of the latter doubtful. *The development of the productive powers of the country, in conjunction with the improvement of its internal trade,* will alone enable the immense, hitherto unemployed, labour-power freed by the emancipation, to be diverted to the promotion of the welfare of our country.

But a brisk internal trade in such a colossal Empire as Russia can only be established when an industry, protected by Government, shall have created *the greatest possible number of centres of a diversified industrial activity,* so that the producer and the consumer should not be obliged to seek for distant markets. The nearer the producers and consumers are to each other the greater will be the saving to each in the cost of carriage. A free movement of international trade arises spontaneously from a highly developed internal trade, and is a natural and indispensable sequence, requiring no impetus whatever on the part of Government. This is why the idea of the *solidarity of the general industry of the country* should be the guiding principle of the home policy of the Russian Government. Internal trade is the basis of a wide production of a variety of values; it imparts union and stability to economical life; it is the most effective method of concentrating capital, and, ater, of applying it beneficially to the primitive branches of production and industry; it is the never-failing source of progress, and of a constantly increasing national prosperity.†

When, lastly, in support of its arguments, the Memorandum refers to the question of the standard of value and to that of smuggling, it is impossible to deny, in the first instance, that the depreciation of the currency impedes every development of trade and industry, as well as generally every circulation of values, and therefore the re-establishment of a fixed metallic unit should be the chief care of Government. But the course ecommended with the view of solving this question satisfactorily, viz., that of raising the foreign credit of Russia by throwing open her frontier, can scarcely be taken seriously nto consideration; it would deprive Russia of her last credit abroad were her Customs revenue of about 40,000,000 of roubles (5,300,000*l.*), and all her manufacturing productiveness to be staked on a single card—simply to subject her to the same fate as that of Spain and Portugal! The solution of the question of the standard of value cannot enter into the present discussion. Considering the extreme importance of the subject, it would, there is no doubt, be of great advantage to the country if the Government were to proceed to a solution of the question in the manner which has borne such good fruit in many other State reforms, viz., by appointing a special committee composed of competent persons from all classes in the Empire.

Lastly, *smuggling* is an evil which can only be counteracted by direct means. In order to remove all inducement to contraband traffic it would be necessary to reduce the duties on foreign goods to such an extent as would entirely crush our national industry. The reduction of certain specific duties which may now be too high would certainly to some extent limit illicit importation; but the most efficacious measure is, after all, *a strict guarding of the frontier,* and there can be no doubt that the expenses incurred by the Government with such an object would be amply repaid by the increase of the revenue to be derived from legitimate trade.

* Dr. A. Lekisch, "Die Staatswirth. Production und die intern. Handelspolitik," 1822, p. 22. W. Kiesselbach, "Continentalsperre," 1850, p. 39.

† Dr. A. Lekisch, "Die Staatswirthsch. Production und die Internationale Handelspolitik," 1862, p. 19.

V.

The position of the Zollverein in respect to the projected Commercial Treaty is explained in the 5th section of the Memorandum, and the observation occurs that in any case Russia can be promised nothing but what is consistent with the true interests of the German States! In return for the concessions required from Russia, the Memorandum promises on the part of the Zollverein *a reduction of the import duties on Russian produce, the amalgamation of contiguous Russian and Prussian Customs establishments, and certain facilities as regards navigation.* But the raw produce of Russia has nothing to fear from German Customs duties. Germany is as much in need of them as the rest of Europe. The amalgamation of the frontier Custom-houses, however desirable it may appear at first sight, would have to encounter many difficulties in the way of formalities, and could not in any case obviate the necessity of maintaining a sufficient guard on the frontier. The Memorandum observes with much ingenuousness that, should Russia not agree to all these demands, the co-operation of the Zollverein in the suppression of smuggling on the Russian frontier would be "foreign and prejudicial to the interests of German commerce." This speaks in favour of the insurance offices for illicit traffic with Russia that evidently exist in Prussia.

The only facility proposed in the way of navigation that are worth mentioning is the proposal for opening the coasting trade of the two countries. But we cannot admit that the Russian coasting trade would gain anything by competing with that of Germany.

Conclusion.

In conclusion, the Memorandum points out how much the Zollverein is interested "*in seeing her Eastern neighbours follow the movement initiated in the West of Europe;*" and it thus addresses itself to the Russian Government, with a persuasive exhortation to abandon a system of "isolation from the great international interchange of commodities," for the sake of economical development, which requires entire freedom of action.

But it has already been observed that the commercial policy of Russia should first of all have in view the *interior* trade of the country, which originates from the mutual relations between agricultural and industrial activity; it must consequently be first of all *national;* from hence are derived the principles which regulate international trade, for which there still remains a broad field, even under a protective system of native industry, necessitated by the existence of the circumstances above enumerated.

Should the Government desire to alter the line of policy which it has hitherto pursued, the change must be made on the basis that, with the view of securing as much freedom of international trade as possible, Russia should not enter into any separate Commercial Treaties with individual States, and that she should observe *the invariable rule of treating all nations with whom she has commercial relations with the strictest impartiality.* As regards the internal industry and trade of the empire, the Government may be recommended to continue for the future in the path of *gradual progress,* and with this view the general laws and regulations relating to industry and trade, as well as the Customs Tariff, must at regular stated periods be subjected to a careful revision by competent authorities, who would remove all difficulties that may have presented themselves in the course of the internal trade, and determine the measure of Government encouragement which must be afforded to the different branches of native industry, and under which these branches of industry, not being checked by foreign competition, might manifest increased signs of activity and a healthy progressive development.

That a careful revision of the Tariff at the present time would not be superfluous has already been stated, and it has also been shown what concessions might now be made in favour of international trade. The basis of a new Tariff consistent with national interests, as already demonstrated, are:—

1. The reduction of import duties on colonial goods, as well as on those raw and half-manufactured products which are necessary to our native industry, and which Russia is not able to produce. The imposition of a moderate fiscal duty on such articles would have the effect, as experience has proved, of considerably increasing the consumption, and, consequently, of augmenting the Imperial revenue.

2. The imposition of Customs duties on foreign manufactures in proportion to the amount of protection necessary for the development of national production, without entirely removing that amount of foreign competition which would preserve the home industry from stagnation.

3. The removal of the differential duties in favour of the land-frontier, which are of themselves and by their practical effects nothing but a financial sacrifice on the part of

Russia for the encouragement of the Prussian maritime trade at the expense of the Russian.

As the representative of the commercial interests of a maritime town, through which the greater part of the foreign trade of the empire passes, the Exchange Committee ought perhaps to have concurred fully with the desires expressed in the Memorandum respecting the improvement of commercial relations with foreign countries. But the Committee, recognizing its duty, considers the general interests of the empire higher and more sacred than the advantages of the mercantile class. The Committee can have no doubt on the great importance of an increased interchange of goods with foreign countries; but it is obliged to confess that international trade is not an ultimate object, but only a means to a great end. International trade is one of the means of developing the general material well-being of a country; but industry is another of those means, and, in a still greater degree, is internal trade, of which the development depends upon that of industrial activity. Any system of political economy which has only one of these several means in view, and which protects it accordingly to the exclusion of the others, will evidently be an unsuccessful system, and cannot effect good results. It would also be extremely erroneous to base the development of industry on the suppression of all international trade, as it would, on the other hand, be fallacious to expect the development of international traffic after the ruin of national industry. The only true principle in such a case is that of developing harmoniously all the factors which conduce to the increase of the general well-being. The maintenance of wise proportions in the protection afforded to one at the expense of the other can in no respect arrest the march of progress, but will on the contrary effectually promote it, and it is only such a policy that can be deemed sure and durable, while extreme and rapid changes of system always lead to economical disturbance, and not unfrequently to reaction.

(Signed) Riga Exchange Committee.

Riga, January 26, 1865.

II. *Opinion of the Exchange Committee of St. Petersburg.*

In examining the Memorandum on a Treaty of Commerce with the German Zollverein, we are struck with the systematic, thoughtful, and remarkably minute exposition which it makes of the proposed changes in various departments connected with commerce. The great care manifested in the collection of various proofs in confirmation of the opinions expressed in the Memorandum betrays the personal importance which the Zollverein attaches to the measures which it apparently, however, proposes chiefly with a view to the advantage and well being of our own country. The measures suggested in the Memorandum tend either to a radical alteration of the Tariff and the laws affecting commerce and navigation, or to some partial ameliorations in various branches of the administration.

Under the former class of wishes expressed by the compilers of this Memorandum we may group:—

a. The introduction of the metrical system.

b. The adoption of the same scale of duties as those of the Zollverein on raw, half-manufactured, and manufactured articles; consequently a considerable reduction, or a final removal, of several articles in the present Tariff.

c. The introduction of transit duties, and the extension of the system of bonded warehouses.

d. The granting to the subjects of the greater part of the Zollverein the same rights in Russia and Poland as are enjoyed by Russian subjects in Germany.

e. The non-renewal of the privileges of Russian insurance offices, which prevent the establishment of foreign insurance companies in Russia.

f. The amalgamation of the frontier Custom-houses situated opposite to each other, for the simplification of formalities—with the proviso, however, that the Zollverein will only consent to this on condition of an alteration in our Tariff on imports.

g. The admission of German coasting-vessels, on the principle, of course, of reciprocity; or, at any rate, permission to a foreign vessel to complete her cargo in another Russian port.

h. The favoured nation clause.

The second series of changes indicated by the Memorandum includes certain improvements in the transaction of business at the Custom-house (supplementary duties, the uncertainty connected with the regulations respecting tare, the stamping of goods, delays in clearing papers, &c.). It is also suggested that the postal regulations should be modified in the direction of lowering the rates of postage on parcels and circulars, and the charge for transmitting money. The introduction of stamps for the prepayment of foreign postage

occurs among other projected reforms. It is further suggested that certain changes should be made in the legal procedure of Russia, the adoption of the Prussian system being recommended. A desire is expressed for the establishment of offices for the stamping of foreign bills of exchange, together with a diminution of the stamp duty, as well as a reduction of the charges for telegrams. Lastly, our attention is directed towards existing passport formalities, and the dearness of the charges for labour made by the Exchange artels (licensed associated labourers).

The Memorandum endeavours very eloquently to prove how much Russia would gain financially and economically by adopting the proposed measures, and by abolishing the restrictions that now hinder commerce in various branches. According to the Memorandum, the sole and direct mission of our country is agriculture in the widest sense; and if only the capital and labour now employed in factories were directed to the production of raw materials, which, as the compilers of the Memorandum themselves imagine, will be the result of lowering the Customs duties, then Russia, with a brilliant opening for her products, will have a future much to be envied. The Memorandum, however, remarks that the duties are already so far reduced in Germany that it will be difficult on her part to make any further concessions, and that those reductions can at any time be abrogated to the prejudice of Russia.

Not even a simple and hasty perusal of the Memorandum will allow us to agree unconditionally with all the arguments of its writers, notwithstanding the future of Russia which they have so beautifully pourtrayed. At the same time, their observations on the necessity of introducing certain reforms in the administration is very much like a gratuitous interference in our domestic affairs, all the more inappropriate since the Government, so solicitous of our welfare, listens willingly to the manifestations of public requirements, and has already distinguished its beneficial activity in that direction by a whole series of reforms in all branches of the service. But even admitting that a Commercial Treaty is concluded with the Zollverein on the basis proposed, and that Russia leaves her present state of commercial isolation, and is converted from a protectionist State into a liberal country (which the Memorandum so eloquently urges), what, superficially viewed, would be the result of such a measure?

1. Having given up a considerable revenue, and opened our ports and markets to foreigners, we restrict ourselves to the raising of the raw products of agriculture. Supposing that the projected lines of railway shall have been completed, and that our productions can be rapidly forwarded to the several ports of shipment whenever they are demanded, our stores of raw produce will, of course, be immense all over the country; but notwithstanding the enticing vista of very extensive markets held out by the Memorandum, it may nevertheless happen that for some reason or other there will be no great demand, and we shall have on hand a considerable quantity of unsold produce. What then? The country will have to wait patiently for better times, and in view of the new produce of the following year, will have to be satisfied with any price that may be offered by the consumers.

2. The reduction of the duties to the extent desired by the writers of the Memorandum will amount to the free importation of foreign goods, which will naturally compete vigorously with our own, and the direct result will be the closing of many of our factories, established after so many years of labour and after such an immense outlay of capital; and a result yet more to be deplored will be the increase of pauperism ("prolétariat"). There are entire villages in Russia almost exclusively occupied in the manufacture of cheap fabrics, and therefore the question of what will become of our industrial class if our principal markets become filled with foreign manufactures is one that demands serious attention. Foreigners have certainly, in such a case, the brilliant vista of supplying with their products not only the whole of our extensive country, but even many Asiatic races which have hitherto been consumers of our own manufactures. And what is the vista opened out to Russia?

3. The permission to establish foreign Insurance Companies, should it be granted, must be conditional on the deposit of the declared capital in Russia, as in the case of other companies. The public is not always secure when the means of similar companies are simply announced in prospectuses.

The permission to engage in our coasting trade will take from us even that small mercantile navy which is as yet kept up by existing regulations. The Zollverein will no doubt respond by reciprocity, but shall we be able to compete with its more numerous vessels? It is more certain that we shall be obliged to abandon even that branch of industry and to leave it entirely in the hands of foreigners.

It is, therefore, very evident from the foregoing that by adopting the proposals of the

German Zollverein, Russia would condemn herself to complete dependence on foreigners as regards her commerce and industry.

III.—*Opinion of the Council of Commerce of Rostoff.*

The Council of Commerce of Rostoff replied that as regarded the district of which that town was the commercial centre, it was too little interested in the trade between Russia and the Zollverein to offer any important opinion.

With reference, however, to the influence on trade in general which the proposed Treaty might have, the Rostoff Council could not but express a conviction that its unconditional adoption would place Russia in complete dependence on foreigners. Although it is perfectly true that Russia is principally an agricultural State, yet it cannot be said that she should be exclusively agricultural.

To close the manufactories of Russia for the benefit of the Zollverein would be very injudicious, the more so since many of the existing branches of industry are intimately connected with agriculture, such as the weaving of linen, cloth, &c. "If," says the Council, "we have labour, fuel, skill, and machinery, why should we not, for instance, have cotton mills, the raw material for which is imported and not home grown, in the Zollverein no more than in Russia? The commercial policy of Russia cannot, strictly speaking, be called protective, and future changes in a liberal direction should not be rejected. But in every case the transitions should be gradual and very carefully introduced, consistently with the internal requirements of the State, and without passing over the opinion of those interested in the subject."

The Memorandum acknowledges, in conclusion, the justice of many of the representations of the Zollverein with reference to existing hindrances in the home trade, and points out that although many have recently been removed, it is still to be desired that the Government should direct their attention to other reforms suggested in the Memorandum of the Zollverein, which are quite independent of the question of the Tariff, and which, by promoting international relations, would at the same time be a great boon to the merchants of the country.

IV.—*Opinion of the Council of Commerce of Odessa.*

Without going into a detailed examination of the questions raised by the Prussian commercial bodies, which will no doubt be the object of a more special investigation, the Odessa section of the Council of Commerce entirely shares the opinion expressed in the Memorandum, to the effect that the present Tariff of Russia has all the symptoms of a protective system, of which the tendency is to support artificially the industry of the country. A comparison of the articles in the Russian Tariff with those in the Tariff of the Zollverein suffices to confirm such an opinion—a comparison that shows the excessive range of the greater part of our Customs duties, to the prejudice of a regular development of international commercial relations, and to that of the economical amelioration of the condition of the nation by the cheapening of articles of general consumption. A protective Tariff, moreover, owing to the immense extent of our land frontier, by promoting the development of contraband trade, does not so much increase the financial resources of the Government as it affects prejudicially the true interests of the country, for it imposes enormous taxes on all the inhabitants of the Empire in favour of a few manufacturers. Instead of concentrating capital in few hands, as might have been expected from a high Tariff, there is at present a dearth in Russia of capital for the carrying on of protected industries; and this circumstance leads to the presumption that a protective system which is not founded on a gradual and progressive reduction of duties at a fixed rate, and during a certain number of years, cannot, under the present altered economical and social condition of the people, conduce either to a further improvement of our manufactures or to the increase of our national wealth.

On the other hand, if we take into consideration that Russia, by her natural position, is principally an agricultural State, producing the raw materials of husbandry in great abundance, we cannot but agree that she has made sacrifices enough for the artificial encouragement of manufacturing industry; if the results hitherto yielded have not placed her in a position to bear foreign competition, it is to be concluded that the time for the independent existence of that industry has not yet arrived, or that it cannot develop itself in this country. In the first case, after a certain lapse of time, our manufacturers will attain the same degree of perfection as those of foreign countries, without any artificial encouragement; in the latter case, sacrifices should not be made that are incommensurate with the progress of the protected industries.

No less correct is the opinion expressed in the Memorandum, that under the existence of liberal Commercial Treaties, already adopted by the Great Western Powers, the commercial policy of Russia can no longer remain isolated, and she must in any case, in the interest of her own industry and commerce, adopt a sensible economical progress, after making radical changes in the Tariff and Custom-house regulations.

But in order that Russia should be in a position to derive the advantages to be expected from the adoption of a more liberal Tariff, it is indispensable to furnish her Southern provinces with such means of communication as the Northern and Central provinces already enjoy, *i.e.*, to construct railways from the centre of the Empire and the corn-growing districts to the principal harbours in the Black and Azof Seas, to improve the fluviatile highways, and to repair the principal harbours. The effects of a lowered Tariff and of Customs reforms will then be manifested in an exportation of the truly national productions of Southern Russia (*i.e.*, the produce of husbandry), which will counterbalance any importation whatever of foreign goods, and will consequently restore the balance of trade.

In submitting the above observations to the Department of Trade and Manufactures, the Odessa section of the Council of Commerce considers itself in duty bound to express its opinion that the wider and the more liberal the basis of a Commercial Treaty, made coincidently with improved means of communication in Southern Russia, and the sooner such a reform is accomplished, the more timely and the more hopefully will the further development of Russian industry and commerce be established.

N.B.—A Committee has long been sitting at Moscow to consider the subject of the Memorandum, but its Report has not yet been presented to the Russian Government.—T. M.

REFORM CLUB

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